

DECEMBER 19, 1931

DEC

The Weekly Magazine for MARKETING EXECUTIVES

management

How Electric Hose &
Rubber Spotted Leaks
in Profit

What Do Architects
Keep in Their Files?

Operating Factors in
Profit Assurance, by
C. E. Knoeppel

TWENTY CENTS

Los Angeles Times' Market Figures
Now Verified by United States Census

Los Angeles Metropolitan Area Population 2,318,526

. . . Exceeded only by the metropolitan areas
of New York, Chicago and Philadelphia

. . . More than the next five Pacific Coast
metropolitan areas all combined

THE Los Angeles Times for years has pointed out that over half the local consumers live outside the city limits of Los Angeles, in the surrounding suburbs, independent municipalities and densely-populated intervening fruit-growing districts.

The Times likewise has shown that this condition is the result of climate—the all-year sunshine which induces people to seek relatively large yards and gardens, and which permits them to live far from work and travel comfortably back and forth winter and summer.

The Times has shown that this unique spread of population produces an inherent morning newspaper field — that only a morning paper can print the news

and at the same time successfully effect community-wide distribution.

The Los Angeles Times conforms to these facts, editorially and in its circulation policy. As the only Los Angeles newspaper owned in the community, it is devoted unwaveringly to the interests of all Southern California, and universally is regarded as the great metropolitan spokesman and "home" newspaper. With its circulation 98 per cent printed and distributed subsequent to midnight, it combines the largest obtainable home-delivered city coverage with the largest and infinitely the best coverage throughout the surrounding trade area. Doing the whole job and doing it right, it leads all western newspapers in volume of advertising.

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The Detroit News

THE HOME NEWSPAPER

New York Office
I. A. KLEIN, INC.

Chicago Office
J. E. LUTZ

Member of Major Market Newspapers, Inc.

Published every Saturday and copyrighted by SALES MANAGEMENT, INC., 420 Lexington Ave., New York, N. Y. Subscription price \$4.00 a year in advance. Entered as second-class matter June 1, 1928, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Volume XXVIII, No. 12.

"INCREASING YOUR SALES

through the use of
AWA Warehouses"



Get This FREE BOOK As You Face The Problems of 1932

THE coming twelve months, more than any period in the last decade, will test your ability as a business builder... will prove your skill as a business conservator. Your desire to enlarge and expand will be tempered with caution and careful calculation—as general business begins to pick up and you move ahead, slowly perhaps, but wisely.

Alert executives, in these trying times, are finding fruitful knowledge and common-sense inspiration in a booklet published by the American Warehousemen's Association—a booklet entitled: "Increasing Your Sales Through the Use of A. W. A. Merchandise Warehouses." It tells how to gain regional or national distribution for your product, at minimum cost... how to reduce branch house overhead by using our warehouses as your own branch distributing points... how to place spot stocks of your merchandise in the cities where your goods can be most readily and profitably sold.

This booklet, now in its third edition, will be of real help to the sales manager, general manager or president of any manufacturing business. It will show you how to get strategic distribution for raw materials, manufactured articles and service parts of all kinds. Economical, efficient distribution—at minimum cost!

No matter what you make or market, write today for a copy of the A. W. A. booklet. It's yours, without obligation, on request.



**AMERICAN
WAREHOUSEMEN'S
ASSOCIATION**

1968 Adams-Franklin Bldg., Chicago, Ill.

Survey of Surveys

BY WALTER MANN

More Data from the 49th State

Information on "The 49th State," i.e., the St. Louis retail trade area (150-mile radius), is now available in the Standard Market Data Form issued recently by the St. Louis *Globe-Democrat*. All the usually desired data on the population, standards

of living, climate, schools, universities, colleges, parks, shopping days, labor conditions, churches, theatres, rail, inter-urban and street railways, bus, river, air and motor vehicle transportation, wholesale and retail trade outlets of all kinds are given as well as valuable information on the development of industry, public works (electricity, gas, telephones, water, post office), also on banks, economic city districts, etc. A very full yet brief picture of the city proper as well as the 150-mile radius which the *Globe-Democrat* has called the 49th state.

Another recent statistical picture from the *Globe-Democrat* research department is a summary of the retail trade in the towns (cities?) of more than 10,000 population in the 49th state as given in the 1930 Census of Distribution. Figures are given on the number of stores, employees, the 1929 net sales in dollars and the percentage each group is of the total, for the seven major retail trade groups, i.e., foodstuff, automotive, lumber and building, general merchandise, furniture and household, restaurants and eating places, apparel and all other retail stores.

This summary is supplied as an added feature to the Standard A. N. P. A. newspaper form, and is slipped inside that form for convenient filing. The A. N. P. A. Form as usual contains four full pages of essential data on "The 49th State"—for St. Louis proper, for three adjoining counties, and for the balance of "The 49th State."

All three studies are available through the Research Department of the St. Louis *Globe-Democrat*.

The Cost of Living in the U. S., 1914-1930

This volume presents a statistical analysis of changes during 1930 in the cost of living in the United States. The changes in the cost of living as a whole and in the cost of the various constituent items and of single commodities are shown in comparison with 1923, which is taken as the base. The analysis is based on comprehensive data currently collected and compiled by the National Industrial Conference Board.

Although the trend of living costs was definitely downward in 1930, the general

average for the year was only 3.8 per cent lower than for 1929. The monthly index for December, 1930, however, showed a decline of 7.5 per cent from that of December, 1929, and of 9.3 per cent from that of December, 1923, but was still 49.4 per cent above that of July, 1914.

The effect of business depression is reflected more markedly in the prices of clothing and food than in those of other major items in the wage-earner's budget. In 1930 clothing prices averaged 6.8 per cent lower than in 1929 and 8.0 per cent lower than in 1923, but were still 56.5 per cent above those of July, 1914. Food prices declined 6.2 per cent from 1929 to 1930, but they were 0.6 per cent higher than in 1923 and 47.1 per cent higher than in July, 1914. Declines in prices of other major items between 1929 and 1930 were: rents, 2.7 per cent; fuel and light, 0.5 per cent, and sundries, 1.0 per cent. This book is replete with tables and charts on consumption of food per family, index of retail prices of specified articles of food, rents of wage-earners in 145 cities, retail cost of clothing, coal prices for household uses, purchasing value of a dollar based on changes in the cost of living, etc., etc. National Industrial Conference Board, 247 Park Avenue, New York. \$3.00. Post paid, 170 pages.

Electric Refrigerators vs. Hardware Store

"Three years ago," says this sixteen-page report from *Good Hardware*, "the hardware dealer was not a particularly important factor in the sales of electric refrigerators." But he is today, according to that worthy, well-known and controlled-circulation publication.

Five thousand hardware dealers now sell electric refrigerators totaling more than \$30,000,000 a year—according to one authority, who also figures that this volume will exceed the combined sales through department stores and furniture stores and will be two and one-half times the volume sold through all other types of outlets.

The speed of growth of the hardware store as an outlet for electric refrigerators has, as we all know, been an extraordinary one. In fact, most electric refrigeration sales, themselves, have taken place only in the past five years (95 per cent of the total, says McGraw-Hill). So it is not surprising that 35.1 per cent of the total stores investigated have been carrying electric refrigerators for one year or less; 14.3 per cent for two years; 13.2 per cent for three years; 13.2 per cent for four years, and 17.6 per cent for five years. This leaves only a 6.6 per cent total for the previous three years. Incidentally, the sale through fifty-four typical hardware stores shows an increase over 1929 of 309 per cent and over 1928 of 225 per cent.

Many other interesting facts are available in this well-thought-out study. You should have a copy. No charge. Write Leonard Tingle, *Good Hardware*, 79 Madison Avenue, New York City.

What's New

Some sales executives are pointing to the shrunken volume of depression months as the cause for the deep pink hues on the balance sheets. C. D. Garretson, president of the Electric Hose & Rubber Company, believes that a company can make money no matter what its volume is, if it is efficiently managed. After the first year of loss in the history of his business, Mr. Garretson in two months put the company in the black through a program for locating and correcting certain faulty distribution policies. The editors recommend the interview with Mr. Garretson, printed on page 414, as one of the twelve best articles of the year.

Any business that sells to the building industry knows the strategic position occupied by the architect, in the matter of getting certain types of material and equipment specified for the job. Tyler Stewart Rogers, vice-president, Taylor, Rogers & Bliss, this week presents a helpful answer to the question, "What's in an Architect's File?"

Sales executives who have been using SALES MANAGEMENT's specially designed series of single-page features for mailings to salesmen, will find an unusual punch in the one printed this week entitled "There's Money in Doorbells." Send this to the men who just can't be persuaded to keep persistently on the hunt for new business.

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Published by Sales Management, Inc.,
420 Lexington Avenue, New York.
Telephone: Mohawk 4-1760; Chicago,
333 North Michigan Avenue. Tele-
phone: State 1266; Washington Bu-
reau, 1099 National Press Building.
Telephone: Metropolitan 3659. Sub-
scription price, \$4.00 a year, including
Markets and Media Reference Supple-
ments; Canada, \$6.50.

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December 19, 1931

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Sales Letters

BY MAXWELL DROKE

Wise Bird, the Cardinal!

"We have reached the ebb tide of business confidence," says Harry E. Radcliffe, who believes in facing facts. Mr. Radcliffe is business manager of the American Nature Association, which has, he candidly admits, felt the pinch of these hard times. "People are dispensing with many things that they are pleased to term luxuries. Our publication, *Nature Magazine*, is in that category, and we have been compelled to apply unusual sales effort to meet unusual conditions."



Maxwell Droke

Looking out upon a world seeped in deepest depression, Mr. Radcliffe determined to convert an obstacle into a valid sales argument. No sooner said than attempted. And I have before me, as I write, a current mailing of the American Nature Association, which bears the familiar and comforting counsel, "It is always darkest just before the dawn." I quote a portion of the introduction:

"... If you have been surfeited with such topics as unemployment, freight car loadings, disposition of the surplus wheat—if you are fed up on graphs of commodity prices and gyrations of the stock market, turn to literature that does not remind you of these things, but brings you a message of good cheer."

"Nature and outdoors have been gloom chasers since the crack of dawn. This is a message of the field of nature—of sunshine, health, entertainment and happiness. It is best exemplified by the call of that little red package of optimism and animation, the Cardinal, pictured on the left—"

"Good cheer! Good cheer! Good cheer!"

Turning the fold, we find a letter that ties up directly with this introduction:

"The message of the Cardinal is the message of *Nature Magazine*, which is waiting to give you what you want. You won't find pie-charts or intricate statistics on its pages. It is the magazine of the out-of-doors. Its province is the sea, land and sky, and the thousands of fascinating creatures—from albatross to zebra—that live within them. It describes the way of an eagle in the air, fish with periscopes and snakes that fly. It tells of the mute things of the world, explaining their habits and revealing their marvelous beauty..."

I am not surprised to learn, through Mr. Radcliffe, that returns on this mailing were "far in excess of what we could have expected had we sent out a conventional mailing piece, instead of dramatizing our proposition, and squarely meeting our greatest sales resistance."

There is, it seems to me, a lesson here that many a business man might ponder with profit.

Mañana y Mañana

E. G. Hefter, district sales manager of the Zenith Radio Corporation, is a firm believer in intensive sales promotion. Just lately Mr. Hefter has developed a series of six letters which the company's distributors may mail to prospective dealers at daily intervals, timing the first message to arrive on Monday morning. These letters take up, step by step, important features of the Zenith franchise. Accompanying the final letter is a card which the merchant may fill in and mail for further particulars. However, this is an incidental feature. According to the plan, representatives of the distributor call personally on each merchant who has received the letter "build-up," whether or not a card has been returned.

This daily bombardment has several evident advantages. Prospects are told that "another letter will be along tomorrow," and they soon come to look for a Zenith message in the morning mail. The proposition is too complicated to cover in a single letter, without drawing it out to formidable length. This plan, however, makes it possible to tell the story in short, snappy chapters, emphasizing one important feature each day. This procedure, repeated for six successive mornings, emphasizes the Zenith proposition to a degree that is fairly certain to arouse the radio dealer's interest. He is curious to know "what those folks have to offer." Thus, even though he does not send in the card, he will be prepared to listen more attentively to the Zenith representative when he calls. I quote the first letter in the series:

"Red or black? What is it?
"Are you gambling with profits? Is your radio business showing a sufficient profit? It can and it should!"

"It is a comparatively easy thing to make sales—but how can you make profitable sales?"

"If you were to figure out your average cost of selling a radio set, you would probably find that it runs amazingly high. Executives of some of the largest and best retail radio firms in the country claim that their overhead is about \$40 per set."

"If your cost is that high—or anywhere near that high—it becomes apparent that the road to greater profit lies through the sale of more \$150 to \$300 radio sets."

"How can this be done? Watch for the answer in the letters to follow."

"More tomorrow morning."

A Modern Samuel Pepys

John S. Van Gilder, vice-president of C. M. McClung Hardware Company, Knoxville, Tennessee, sends a weekly broadcast to the sales force, which is fashioned in decidedly unusual form. These bulletins deal with gossip of the trade, events of the week at the Home Office, and so on, interspersed with parenthetical suggestions on timely merchandise items. The bulletin I have before me recounts Mr. Van Gilder's trip to the Direct Mail Advertising Convention, at Buffalo, last October. I quote the opening

sentences to give you an idea of the style: "Last Monday night: Louisville & Nashville station. 9:16 train. Lynn Snyder, of the Mill Supply department, and Steward Evans dash up to the gate to say good-bye. White-jacketed Pullman porters sounding 'All aboard!' (Plow-handle orders are welcome.) Train slowly moves forward. Engine's headlight pierces darkness toward Cincinnati. . . . Here are the lights of LaFollette—Sam Douglass' and Harry Miller's town. Restless sleep. Dawn. 8:15 A.M. Cincinnati. (Christmas paper puts holiday pep in stores.) Breakfast at the magnificently modernistic Hotel Netherlands Plaza. . . ."

Mr. Van Gilder has a tendency toward minute detail, whereas the style he has adopted demands, in my judgment, more speed and action—a mere hitting of the high spots. Nevertheless, it is an original idea that merits commendation.

Too Funny? Yes, Indeed

I am not dead set against humor in sales letters. But there is always a real danger in making the letter so funny that it fails to sell the stuff. A reader may reply to the letter and tell us we're a bear and ought to be doing skits for the humorous papers—but he neglects to show his appreciation by enclosing a formal order for two gross of our No. 28-A Meat Axes. Remember that Laughing Stock does not always pay dividends!

Out Again, in Again . . .

Probably this isn't a new idea; but it strikes me as rather good: L. S. Ayres & Company, Indianapolis department store, is printing this notation on current statements which show no outstanding balance:

"What: Paid in full?"

"Not quite; you still owe us a few moments of your attention. And if time is money, you'll be making a wise investment, because we have news of January sales that may save you many, many dollars."

"First, there's the semi-annual sale of drapery damask, coming just when winter wear and tear have begun to show on your drapes, and offering you assortments and prices that come only twice a year."

"The January furniture clearance offers savings of one-half to one-third."

"Bedding and linen sales present the finer quality in both at very great reductions."

"Men's and women's clothing are featured in great clearances."

"The Beauty salon will save you 25 per cent on all hair goods."

"And there's a semi-annual infants' outfitting sale that's a perfect marvel for bargains."

"So don't miss the January sale at Ayres'!"

Sincerely, Maxwell D.

Since Santa Claus will have made his annual pilgrimage once more ere this Department again sees the light of print, may we take this forehanded opportunity to say, "A Merry Christmas to all, and to all a Good Year!"

Significant Trends

As seen by the editors of Sales Management for the week ending December 19, 1931:

• • • Trade reports for the week tell of a good pick-up, due partly to price concessions for the purpose of end-of-the-year inventory reductions and partly to holiday buying. From some cities come reports of gains over last year even in dollar volume, in spite of lower prices.

• • • The index number of general business activity was the same last week as that of the previous week. A rise in the adjusted index of freight car loadings offset declines in all other factors.

• • • Average commodities prices sagged again last week, the Irving Fisher index number reaching 67.1 compared with 67.6 the week before. In Great Britain there was a slight recovery, the Crump index number going up to 66.7 from 66.2.

• • • Department store sales in November as estimated by the Federal Reserve Board were 15 per cent below those of the same month last year. For eleven months the decrease was 11 per cent. These figures indicate that, making allowance for the lower prices, this year's volume was not greatly curtailed, if any.

• • • A fair idea of what reduced prices have done to dollar sales in food distribution is given by the Great Atlantic & Pacific Tea report for nine months ended November 30, showing a falling off of 3 per cent in sales notwithstanding an increase of 11.1 per cent in the volume of goods handled.

• • • On this basis, the average price per pound was 9.18 cents this year compared with 10.52 cents the year before. If this year's tonnage had been sold at last year's prices, dollar sales would show a gain of 11 per cent instead of a loss of 3 per cent.

• • • Forty chain store companies reported sales in the eleven months ended November 30 amounting to \$2,813,898,864 compared with \$2,914,238,278 in the same part of 1930—a decline of 3.44 per cent. Three mail-order houses lost 13.72 per cent—their volume this year being \$541,506,330 against \$627,680,160. Chain business in November was down 8.01 per cent, mail-order business 17.58 per cent.

• • • Swift's business in the year ended November 30 yielded a profit of something like \$8,000,000 according to an official statement. This compares with \$12,491,189 the year before. Inventory losses were offset to some extent by sales of capital assets and reductions in costs of operation. The showing is considered good in view of the sharp price decline. The company is in the strongest cash position in its history and has less debt than ever before.

• • • Financing of automobile retail sales in the ten months ended October 31 declined from \$1,075,912,378 on 2,616,108 cars in 1930 to \$851,753,590 on 2,183,904 in 1931. The compilations are by the Department of Commerce and cover returns from 402 financing companies.

• • • Willys-Overland increased its working force in Toledo this week from 5,000 to 7,000, the additional hands being required to supply new models.

• • • A bill to enlarge the powers of the Federal Trade Commission, so as to allow that body to approve mergers found by it to be free from monopolistic character and power to restrain trade, was introduced in Congress this week by G. H. Tinkham, Massachusetts representative.

• • • Auburn Automobile placed orders this week for \$11,000,000 worth of materials to be used in the estimated production of its cars in the first quarter of 1932.

• • • Bethlehem Steel has arranged to take care of all of its 7,000 workmen in Lackawanna this winter. In execution of the plan the company will erect a new mill and raze an old one as a means of providing jobs.

• • • Truck tires sold by the big mail-order houses were cut in price last week to the extent of 10 to 15 per cent.

• • • Retroactive Federal tax legislation is strongly opposed by the Merchants' Association of New York in a resolution adopted last week, especially income tax changes raising rates on incomes of 1931 and payable in 1932. In continuing their opposition to the tax on capital gains, however, the merchants insist that no change should forbid credit for losses incurred this year.

• • • Retailers and jobbers in considerable numbers are asking manufacturers of nationally advertised brands to reduce their discounts as a means of checking price-cutting on fast-moving goods.

• • • British exports did not rise substantially in November, contrary to earlier news reports indicating that the depreciated pound was lowering manufacturing and production costs to such an extent as to give British goods a wider acceptance abroad. Compared with October, imports were up 3 per cent, due probably to the rush to get in under the wire, but exports were down 3 per cent. This loss, however, was only half that of the same period last year.

• • • Rubber consumption in the United States increased during November—from 22,277 tons in October to 22,943 tons the following month. This is decidedly unusual, the customary trend being the other way toward the end of the year. It is noteworthy, however, that in spite of growing consumption, surplus stocks increased by 7 per cent.

• • • Japan's suspension of gold payments this week raises to twenty-three the number of nations which have gone off the full gold standard since the present depression began. It is to be remembered, however, that a good many countries have been on and off the gold standard since 1923.

From Red Ink to Profits —in Sixty Days

Based on an interview by James True with

C. D. GARRETSON

*President, Electric Hose & Rubber Company,
Wilmington, Delaware*

Last year, for the first time in the history of the firm, the Electric Hose & Rubber Company lost money. Then they began to look for the mistakes in management that were responsible for those losses. What they discovered, and how they corrected their policies, is told here. Their experience proves that profits are possible in spite of much lower volume.

DURING its last fiscal year the Electric Hose & Rubber Company, of Wilmington, Delaware, lost money—not much, but enough to cause its officials to do some heavy thinking. It was the first experience of the kind in the history of the company, and the loss of profit, plus, was accompanied by a falling off in volume to the extent of about 30 per cent.

The loss of volume appears to have been inevitable, due to general conditions and the demoralized state of the industry. But C. D. Garretson, president of the company, could not be convinced that there was any logical reason for the loss of profit. Years ago, when the company was building, it made a satisfactory profit on the volume sold last year. Therefore, Mr. Garretson concluded that the loss was due to management.

As soon as the figures for the year were compiled, he set about finding the reasons for the loss and correcting them. As an immediate result the first two months of the present fiscal year showed a profit. With a few facts established and a few consequent changes in management, Mr. Garretson was able to change a loss into profits, and in discussing the procedure recently, although he made some valuable disclosures, he said nothing more significant than what

is revealed in the following:

"Many of the business men who attended a meeting I addressed a few weeks ago came to me after the talk and told me that their business affairs were similar to the condition of our company some months ago. These men are engaged in many different lines, and, with others who have discussed the subject with me, they have convinced me that the mistakes my company was making are not only general, but the cause of a great deal of the country's commercial demoralization. Therefore, I hope that what I have to say will induce many in a number of industries to examine and test their methods, as we have done, and with similar results.

"While the nation's industries were growing fat on volume during prosperous times, we now find that they were negligent of those principles of management which are responsible for the stability of profits. During the last few months, I feel sure, we have demonstrated that the value of large volume has been widely and greatly exaggerated, and that any well-established manufacturing business can show a profit, almost regardless of volume, if its management is intelligently based on facts."

The first fact revealed by Mr. Garretson's investigation of his own business was that the company had made

money on its mechanical and other high-priced hose, but that this profit had been more than absorbed by losses on cheap grades. A careful check of all factory costs and estimates showed them to be approximately correct, and that production had been carried on economically. Therefore the conclusion was inevitable that the losses were due to a failure to properly adjust transportation, selling and administrative costs.

"Our delivery cost was one of the first items we tackled," Mr. Garretson explained. "It is a custom of our industry to pay the freight, and it was our habit to figure this expense as a percentage addition to our factory cost. We figured the same percentage on all grades; but when we began to get at our actual freight costs and compare them with sales of different grades, we discovered the first clue to how we were subsidizing that part of our volume on which we were losing money.

"On the best grades of our mechanical hose the freight expense was 3 per cent of sales, and on the second grade it was 3.7 per cent. On our first grade of garden hose this cost was also 3 per cent; but on the second grade it was 5.5 per cent, and on the third grade 7 per cent. Then on our garden hose leader, made to give our dealers a match for cheap mail-order house offerings, we found our freight cost to be 8.6 per cent on sales.

"Since we were covering our freight expense with a fixed percentage on all of our volume, it is obvious that we were making this cost on our better grades pay a part of our higher actual delivery expense on the cheap stuff. This was the first 'bug' we found in our management, and we immediately realized that it was unfair to our trade and demoralizing to our own business.

"On the percentage basis we were compelling some of our customers to subsidize the transportation costs to



—but they weren't going anywhere!

others. We were requiring those in nearby territories to pay a part of the freight cost on all more distant shipments of our goods. We found that in some of the more distant territories this cost was actually 20 per cent, and that if our business had been concentrated in those territories we could not have carried on. We had been trying to change economic facts, and we had proved that it cannot be done.

"Then we realized that the only fair and sensible method is to sell everything F. O. B. factory, and allow all customers to figure their individual delivery costs. For we had proved that it is impracticable, if not impossible, to establish uniform selling prices throughout the country by the old method, and we adopted the policy of making every grade of our products carry its own cost of freight delivery."

On garden hose, as Mr. Garretson also explained, it is the custom of the industry to give liberal dating and

then offer anticipated discounts. One per cent a month is allowed until January 1, then 0.5 per cent until May 1, with an additional 2 per cent for cash on bills paid before the tenth of May.

These discounts were considered as an administrative expense, since they went into distribution, and they were charged against total volume. In fact, they were estimated as a flat percentage on entire volume; but since the discounts were offered only on garden hose they illustrate another case of subsidizing one class of goods at the expense of another.

Furthermore, stocks of garden hose were made up during the winter, and, when the guess was right regarding volume requirements, storage, handling and investment added another expense of 1.3 per cent of sales; but when the guess was out of line this expense was much greater. And this item, although it was largely due to

the storage of cheap garden hose, was charged against total volume.

Free samples were another source of subsidizing and loss. Mr. Garretson said that for many years it had been the custom of the industry to furnish buyers with branded samples in lengths of from four to twelve inches, and that the cost of sampling amounted to 0.75 per cent on the total volume of business.

"However," he continued, "when we analyzed this expense we found that it was 1.1 per cent on the sales of competitive garden hose, while it was only three-eighths of one per cent on all other lines. So we were spending the greater part of our sampling cost where we could least afford to spend it, merely to subsidize further our cheap goods, and a further checking up disclosed that about 90 per cent of our samples were wasted.

"All of our wholesalers were furnished with quantities of samples, and

usually they mailed them when quoting on prospective orders. When their supply got shopworn, they threw away the lot and ordered more.

"When retailers and other buyers received the samples they usually cut a ring of about one inch from the end of each length, made their comparisons by cutting up the small piece, and then threw the entire mess into the waste basket. We were going to the expense of making quantities of large branded samples, to have only about 10 per cent of them finally used for the purpose intended, and all of our competitors were doing the same thing.

"Now we are charging cost for all four- to twelve-inch samples, and the demand has fallen off amazingly. But we give our wholesalers all of the one-inch samples they want. These small samples are tagged with all of the information we want to get over to the dealer; they are more effective, very much less costly and more convenient to mail, and the change is saving us about 1 per cent on sales. Here was another case, not only of subsidy, but where somebody was paying for a costly and needless distribution practice."

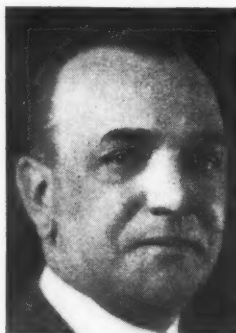
But the greatest loss, Mr. Garretson found, was incurred by the salesmen in going after the cheap, volume business. Of course, the men talked the better grades; but the fight of the entire industry was on cheap stuff, and they frequently got into the fight. Wholesalers and other buyers had been educated to demand price, and price was what they wanted to talk about. So the company's salesmen talked price in an attempt to build up their volume by selling so-called volume goods, and it was found that they were spending about 75 per cent of their time fighting for the cheap business.

An analysis of the company's correspondence showed a similar condition. Approximately 75 per cent of all letters dealt with subjects related to the selling of cheap goods. And Mr. Garretson summed up this phase as follows:

"We were somewhat amazed to find that we were spending such a large part of our selling expense merely for the privilege of losing money. We also found that we had been just as stupid in allocating other selling expenses, and promptly set about correcting our entire selling system.

"When we sent a salesman out we did not know what classes of goods he would sell the most of, and the salesman's expense is more or less fixed, regardless of the grades he sells. Let us say, for argument, that we cover

our selling and administrative expense with an estimate of 10 per cent on volume. Then, if a salesman spends a day in selling 10,000 feet of garden hose at ten cents per foot, his day's volume is \$1,000. But if he spends the same time in selling the same quantity at five cents per foot, he produces only half the dollar volume. In both instances the salesman's salary is the same, and so are hotel, railroad and other expenses; yet in one instance we are covering the selling and administrative expense with \$100, and in the



C. D. Garretson

They were losing money through faulty charging of freight costs.

They were losing money on sampling.

They were losing money on the cheap volume business.

They were losing money through faulty pricing.

—But things are different now. Policies have been changed and the firm is again making a profit.

other with just half that amount, while the actual cost is the same in both instances.

"Our factory labor cost is figured at so much per hundred feet of hose manufactured. The greater part of our selling and administrative expense is also for labor, when we face the facts, and it should be figured on the same basis as factory labor. Those on the administrative staff are serving the distribution of various grades of goods and we should realize that this service costs the same whether it is applied to cheap goods or those of high quality.

"Years ago, when things were on the boom, we had the profit on the better grades to pay the subsidy on cheaper grades. But now, in the mad scramble for business at any price, our profitable items have been cut to a point that leaves nothing for subsidy.

"Because of the peculiarity of our business we think it best to employ our salesmen on a salary and expense basis. We informed our men that we would continue to pay them on this basis, but that we would determine their value to the company by recording their orders on a commission basis. Now, each month, we check up each salesman's business and show him how his salary and expenses compare with what he would have received on a commission basis.

"On our cheapest, third-grade garden hose we credit no commission whatever, and when a salesman sells this grade he knows that the sale is adding nothing to his standing with the company. If he is foolish enough to push the sale of the cheap stuff in the competitive fight, he does it without credit to himself.

"As an immediate result, our salesmen no longer talk about the volume they are selling. When they see their salaries and expenses balanced against their earnings, as estimated on a commission basis, they are prompted to think about their work in terms of profit, not volume.

"Regardless of other considerations, a salesman's sole justification for being a salesman is his ability to make a profit for his company. As it was with us, the great competitive fight sifted everybody's prices down to the same low level; or, at least, there were always three or four competitors who were willing to meet each other's lowest prices. Then the business was supposed to go to the salesman who had made a friend of the buyer.

"If this condition were to continue, if selling is to be considered as merely meeting competitive prices regardless of the quality of the goods, and ingratiating oneself with buyers, then it might be best to dispense with the services of sales men. In that case, it would be more profitable for manufacturers to employ young women. They could meet prices just as well; they would work for about half the average salesman's salary, and they would ingratiate themselves with buyers very much more effectively.

"But such a condition cannot continue. I am convinced that a great deal of our present industrial demoralization is caused by the emphasis practically all distributors have been placing on low prices. For about ten years, in the greatest quality market the world has ever known, we have been trading down on price at the expense of quality, and we are now paying, and paying heavily, for our folly."

Mr. Garretson then pointed out that his company, like thousands of others,

(Continued on page 437)

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BY TYLER STEWART ROGERS
Vice-President, Taylor, Rogers & Bliss, Inc., New York City

What's in an Architect's File?

EVERY sales executive whose products are used in building construction or equipment recognizes the architect as an important marketing objective. Consequently he seeks to place appropriate sales literature in the architect's reference file, which may be the standard system recommended by the American Institute of Architects or a special system developed in the individual office.

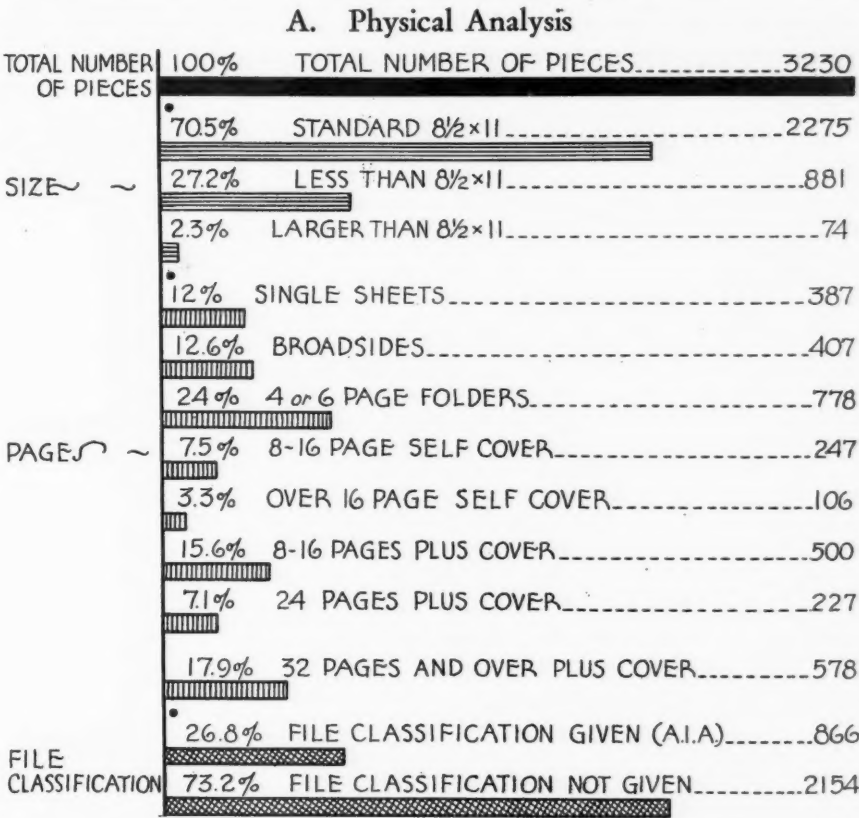
According to the study which is here reported, some 1,700 manufacturers produce and mail to approximately 10,000 architectural offices a minimum of 30,000,000 pieces of such literature annually, or over 3,000 pieces to each office!

How much of this is wasted? How much is filed for reference? What kinds of literature have the best chance of retention? How much competition does each piece of literature face upon arrival at the architect's office . . . and also after it has found a place in the file?

These and many other questions must be of first importance to the sales executive, advertising manager and advertising agency dealing with building products. The answers to some of them are indicated here.

The accompanying table summarizes the results of a detailed analysis of the reference files in the architectural office of Lyon & Taylor, Inc., New York. The file studied is reasonably typical, for this office enjoys a general practice of high quality structures largely in the residential field (houses running from the occasional small house to country estates above \$250,000, with the average around \$80,000 or so), plus a very fair range of other buildings, including school and college work, public buildings, museums, apartments, offices, etc. It is, of course, recognized that there is danger in drawing general conclusions from a single analysis of this sort. The data should be used with a full appreciation of its limitations and the chances of error in assuming the findings as final. However, it would be very expensive to cover a large number of offices with an analysis such as this.

A study of the "physical analysis" will prove extremely illuminating to
(Continued on page 434)

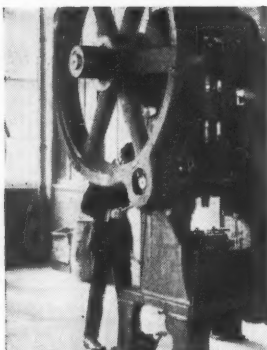


Estimated pages of data in file..	50,000	In Reference Library	
Average pages per catalogue	15.5	(Bound catalogues not suitable for filing)	
Number of manufacturers (estimated)....	1,698	Number	90
Catalogues per manufacturer	1.9	Manufacturers represented	72
		Loose-leaf	23
		Bound—over 64 pages	38
		Bound—under 64 pages	9

B. Distribution by Subjects

1. Preparation of Site.....	—	19. Carpentry	192-5
2. Excavation	—	20. Furring and Lathing	36-2
3. Masonry Materials	50	21. Plastering	37-1
4. Concrete and Monolithic Construction	58-1	22. Marble, Slate, Soapstone, Blue Stone, Terrazzo, Struct. Glass..	29-1
5. Brickwork	40	23. Floor and Wall Tile, Linoleum and Accessories	124-4
6. Foundations	5	24. Plastic Floors	14
7. Waterproofing and Dampproofing	38	25. Paint, Painting and Finishing...	129-1
8. Stonework	36	26. Glass and Glazing.....	41
9. Architectural Terra Cotta.....	5	27. Hardware	103-4
10. Block Construction	32	28. Furnishings	150-9
11. Paving, Curbs, Gutters, Etc.....	11	29. Plumbing	345-17
12. Roofing, Sheet Metal and Skylights	115-2	30. Heating and Ventilating.....	351-13
13. Structural Steel and Iron.....	49-9	31. Electrical	285-5
14. Miscellaneous Steel and Iron....	99	32. Refrigeration	49-2
15. Ornamental Metalwork	41-2	33. Elevators, Dumbwaiters and Acc.	48
16. Fire Resisting Doors, Windows and Trim	94-4	34. Power Plant	10
17. Special Doors and Windows....	26	35. Equipment	417-6
18. Vaults and Safes	24	36. Construction Plant	14-2
		37. Insulation	93
		38. Landscape	21
		39. Acoustics	17
		40. Regulations	2

Note: Second number refers to literature on shelf.



Number 5. Operating Factors in Profit Assurance

Profit Clinics and How to Hold Them

BY C. E. KNOEPPPEL

Industrial Counsel, Cleveland, Ohio

TO make the "profit clinic" of the utmost value from the standpoint of uncovering profit-making possibilities, the clinic should be made *democratic* in that supervisory heads (superintendents and foremen) as well as bodies of workmen should have a part to play and be "induced" to contribute to the extra profits that such a clinic can secure.

A number of viewpoints can be put before supervisors which will change their thinking. Out of this changed thinking will come better supervisors. Better supervision spells greater profits. The same logic applies as well to workers in the shops and offices.

Supervisors

Supervisors are representatives of interests and directors of affairs. They "represent" the ownership and management of a business, in "directing" the use of machinery, materials and men. They are the interpreters of the policies of management in the manipulation of the facilities of manufacture. While servants, they are also trustees—custodians—not only of material things, but leaders of human beings as well. If they only knew it they are—by delegation—at the heads of small businesses, the sum of which go to make the entity we call a business.

Modern business has grown to be terrifically complex, and with this growing complexity there has been forced on business the absolute need for elaborate accounting practice. I have never met a business executive who maintained an elaborate system of accounting just for the fun he got out of it. Stern necessity has demanded adequate, comprehensive, prompt and accurate records, which in their many ramifications conform to the check and pass book transactions of individual and bank.



Supervisors should be led to see this, for if it is important for management to record the essential in all financial transactions, in order that it may render an account of its stewardship to the stockholders, it follows that su-

pervisors, as heads of small businesses, need accounting, and for the same reason. They need to render an account of their stewardship to management.

Let's assume that instead of working as they do, supervisors in a given plant should actually be in business for themselves on some cooperative basis. They would invest no money but would be expected to pay bills rendered monthly for expenditures made for their account. They would sell what they made, to the company and to each other, and collect the money. The difference between receipts and expenditures would be profits, from which a share would go to them as a reward for efficiency and economy.

These supervisors would see to it that all transactions they had to do with were promptly and accurately accounted for, and you may rest assured that there would be a keen desire for prompt and reliable statements—and a careful study of them

after they were received, because they would involve receipt and payment of "coin of the realm."

I do not believe there is any greater problem having to do with the operating side of business than that of interesting supervisors in cost and accounting records. And, let me say, the greater this interest, the greater will be the profits.

Take the matter of *depreciation*, for instance. Supervisors seem to pay little attention to it. They probably agree with the definition of it, made by the Missouri Supreme Court, as "invisible rot." But let's see.

Laying aside all of the learned and technical explanations with reference to this seemingly difficult phase of accounting, let me put it before supervisors in this practical way.

Assume that one of you should get tired of being a supervisor, and should go into the taxicab business like "Amos 'n' Andy." You would pay, we will say, \$3,000 out of your savings for the cab. This \$3,000 is your capital. In the last analysis, capital is merely the savings of people.

Out of the fares you take in for operating this taxicab you would pay for gas, oil, tires, repairs, garage rent, and an occasional painting, and you would keep the balance with

which to maintain your self and family. Now you *are* a business man, but are you a good one? Let's see.

Four years pass and you find that you have a pile of junk on your hands, worthless to all but the scrap dealer—and he pays you little for what is left. You need a new cab. But you have no money to purchase it with. This is so because during the four years you



spent all of your income over expenses and you have nothing in savings.

You suddenly wake up to the fact that you have exhausted your capital, so you decide to go back to work as a supervisor, and save another \$3,000 with which to buy the second taxicab.

This time you know what to do as a good business man. You pay your costs out of your fares as before, and, in addition, you set aside \$60 per month, let us say, and then live on what is left of your income. During the fourth year you take your old taxicab—which is junk like the first one was—plus the accumulation of money that you "reserved" out of your fares, and get yourself a new cab.

In the latter case, you made your customers pay for the capital invested in the taxicab, as part of your costs, and in proportion to the useful life of the cab, assumed here to be four years, thus insuring the return of the capital to you with which to buy the replacement. In the first instance, you gave the cost of the car to your customers, and were out of luck when it came to buying a new cab, because you couldn't go back and tell them you had undercharged them in fares.

This is a homely and unorthodox way of explaining depreciation, but it is usually successful, even when I encounter executives who tell me that there is no such thing as depreciation.

The point about this illustration is that you must keep your taxicab *busy* to pay your expenses, set up the reserve of \$60 per month, and live on what is your equivalent to your gross profit as a business man, out of which must come your salary—the net being your real profit. If your cab was idle for any length of time it would mean that this idleness would be at the expense of but one thing—your profit.

So with buildings and equipment. The more you can use them, and the more efficient the processes of production are, the less will be the costs for the capital charges per unit of production. This will mean larger relative profit per unit. Idle plant and machines would build up the cost of overheads, thus reducing profits.

This matter of *idleness* is a serious

matter, much more serious than most supervisors think. An idle workman is bad enough, but an idle machine is infinitely worse. A machine is men built into it who multiply themselves in the work they have to do. For instance, if a machine takes the place of five men, then you have a case that is equivalent to five men being idle when the machine is down. Supervisors are quick to see to it that idle men are put to work or dropped, but are they more concerned when machines are idle? I have often felt that it would be a fine thing if each machine could have a placard on it reading, "This machine is equivalent to the work of — men. Its cost for idleness is — cents per hour, or \$ — per day." Then idleness would be watched much more carefully. I grant you that supervisors cannot "pull the work out of the air" to put on idle equipment, especially in these times, but once get the facts about idleness before all—executives, salesmen, supervisors and even workmen—and you may rest assured that, sooner or later, something is going to be done about it—for *idleness costs money*.

The item of *rent* is another item for supervisors to consider. If they were in business for themselves, and had to pay for their departments—for power, light, heat, depreciation and repairs—on a square foot basis, they would see to it that they had the most efficient layout of equipment and work spaces possible, so as to have the least amount of footage and, therefore, the least cost for rental. A foreman once asked for extra room for his department. He was told he could have it for — cents per square foot. A few days later he submitted plans for housing his department in *smaller* quarters, so as to have his production cost less.

Another factor for supervisors to watch is that of *maintenance*. A "stitch in time saves nine" is an old saying and apropos in connection with maintaining plant and equipment. Anticipative inspection, making repairs out of work hours, studying to make machines stronger and faster,

and the like, are means to keep the maintenance costs at a minimum per unit of output.

Supervisors can also help in what is known as "speeding the turnover." Keep stocks of raw materials as low as is consistent with demands; eliminate the obsolete, scrap and excess materials; keep work in process on a "hop-skip-and-a-jump" through the plant; do not stock up more than is necessary in finished parts and assemblies. In these days "turnover" of inventory, of plant and of capital should receive more than passing attention, for the faster the turnover the less profit per unit is required to net the required return on capital investment. Don't overlook turnovers.

Regarding *rejections*, there is still room for improvement in reducing their cost, through a proper analysis of *causes*. Many rejection slips give the reasons for the rejection without stating what the "causes" were. I well remember the case of a large foundry in which the estimate was that 50 per cent of the rejections were caused by bad iron and poor cores. Slips covering all rejections had the real reasons indicated thereon, after careful examinations were made, and these were then classified according to causes. To the amazement of all it was found that 50 per cent of the rejections were for causes within the control of moulders and coremakers. In another case the rejections were cut in half by investigating the causes, classifying the results, and instituting betterment measures.

In like manner other items can be discussed at clinical meetings, covering such things as indirect labor, supplies, shop clerical, toolroom, the storeroom, inspection and the like.

As other avenues for clinical discussion, supervisors can consider the matter of time-study, wage incentive plans, standardization of machines and tools, plant layout, material control, production planning, and many other items, out of which discussions can come a great good in the way of better ways of doing things.

Many of the points brought out in
(Continued on page 437)



Believing that many companies could go far toward eliminating profitless selling if they would institute staff meetings, or "profit clinics," Sales Management is presenting this series of articles by a man who had conducted many such clinics professionally. Mr. Knoepfel guides a study of the most important factors affecting profits, and suggests how to plan a revision of policy to result in profit assurance.

Survey* Shows Crying Need for Better All-around Sales Training

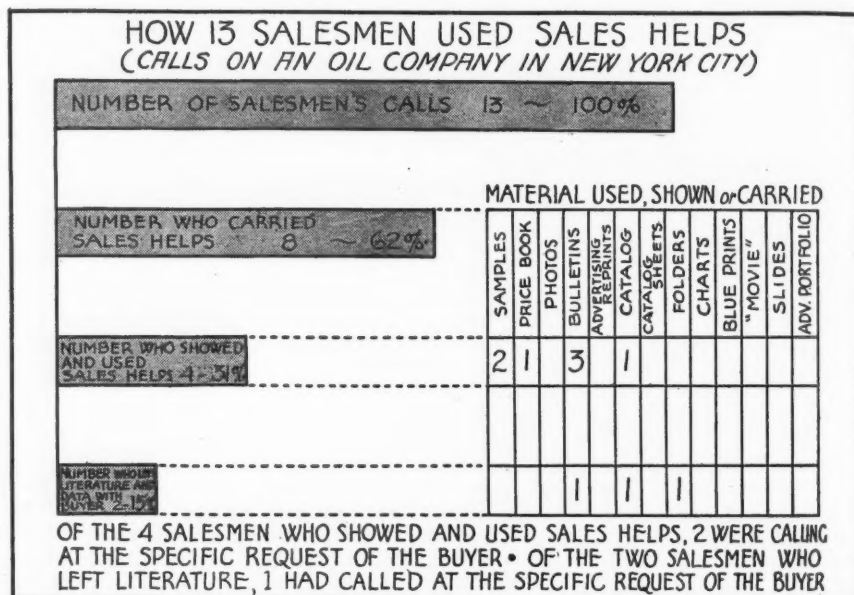
BY
HERBERT KERKOW

THAT under present-day selling conditions the average salesman vitally needs better sales training is definitely being proved in the current field study conducted by and published in SALES MANAGEMENT. By sitting in while salesmen in many lines make their calls on the buyer, SALES MANAGEMENT is recording evidence which clearly reveals that the average salesman's approach is inadequate and that he is woefully unequipped with and untrained in the use of sales helps which leading salesmen have found so invaluable.

The first article in this series, SALES MANAGEMENT, December 12, revealed just how difficult present-day selling conditions are. One instance was related showing there were, in 1930, almost 50 per cent more sales calls made on one big company's purchasing department than in 1928 or 1929, despite the lessened business this company has to give out. The first article further showed that, in the face of this greater competition, 20 per cent of the salesmen calling there were adroit enough to secure 50 per cent of the buyer's time.

This article will go behind the general scene and show in some detail what the investigator found as he listened in on sales calls made under almost ideal conditions as they are in this oil company's purchasing department. The purchasing agent who heads the department and two direct associates have their own private offices. Other assistant purchasing agents have desks in a large general office. The purchasing department, as a whole, is in a suite of its own and has its own reception clerk. Consequently, the visiting salesmen get their cards into the buyer's hands almost im-

* This is the second of a group of articles reporting on the type of salesmanship currently being brought to bear on big buyers. The first article "Failure to Use Sales Tools Kills Many Sales, Survey Shows," appeared last week.



mediately upon their arrival. The department keeps complete records of the number of salesmen each buyer sees every day so that, if any buyer should ever be temporarily overloaded, one of his associates can step in to help. So much for the setting.

Each sales call listened to was checked to determine whether the salesman showed and left sales helps and literature. Included were observations as to the use of price books, samples of the product and photos of it, bulletins, advertising reprints, catalogues, catalogue sheets, folders, charts, blueprints, moving picture or still films, advertising portfolios, etc. Each call was also checked to determine whether or not the salesman already knew or took the initiative to determine the possible application for his product and whether the need for the product was recognized.

The investigator checked each call to find what sales arguments the salesman used and whether or not these arguments were prompted by the purchasing agent. In selling his product, did the salesman talk about new uses, news of performance, records of length of life, return on investment, improved operating conditions? Did he show installation figures and photos, time studies of piece work, performance testimonials, dramatic comparisons with manual labor, independent engi-

Through observation and audition of run-of-the-mill sales calls made on big buyers, SALES MANAGEMENT is collecting data on the actual performance of salesmen as they are attempting to meet the conditions of present-day markets. This section of the report on the findings of this survey is based on sales calls made on a large oil company by salesmen for the following companies:

- Woodbury & Company, Inc. (letterheads)
- J. C. Lewis [Leather Vita Corporation] (preservative and cleaner for leather)
- Electrolux Company (vacuum cleaners)
- Hooker Electrochemical Company (chemicals, etc.)
- Amco Sales Corporation (service station equipment)
- Patent Chemical Company (colors for gas-oil)
- Bethlehem Foundry & Machine Company (slag burning furnaces, chemical equipment, etc.)
- American Lithographic Company (special metal sign department)
- Lewis-Shepard Company (lifting and tiering machinery)
- A. Schrader's Son, Inc. (valves, gauges, fittings, etc.)
- Universal Pump and Tank Company (oil tanks)
- Detroit Graphite Company (enamels, paints, etc.)
- Dauphinee and Hausler (industrial engineers and contractors)

neering reports and actual maintenance records? Did he discuss design and construction details or service guar-

(Continued on page 438)

name on the door *a new job for advertising...*

In many an office in business and industry there is a new man in command. On many a door that advertising formerly opened to your salesman, there's a new and strange name. A new name to be secured on the dotted line. A new prospect to be converted into a customer.

There's a tough selling job to be done here. A job on which your sales force must start from scratch all over again. Your former advertising carries little momentum here—the new incumbent probably read it with only passing interest. He knows little or nothing about the merits of your product. He has to be shown—and wants to be shown.

That calls for the aid of advertising. Good advertising that carries your

sales story convincingly and effectively to your prospect. Advertising that educates the prospect and wins his good will. That loosens his purse-strings in your direction and spurs him to action.

Today's advertising must bring more than results. It must bring results *at the lowest possible cost*. Every dollar spent must take your message to your prospects—and to your prospects only.

If you sell to business and industry, recognized business papers are the logical ones to use. McGraw-Hill Publications, reaching 600,000 paid subscribers—every one a business man, industrialist, or engineer—will help your sales force lick today's selling job effectively and economically.



McGRAW HILL PUBLISHING CO., Inc.

The Business Week
System

Factory and Industrial
Management
Maintenance Engineering
American Machinist
Product Engineering

Engineering News-Record
Construction Methods

Engineering and Mining Journal
Engineering and Mining World
Metal and Mineral Markets
Coal Age

Electric Railway Journal
Bus Transportation
Aviation

Textile World
Electrical World
Electrical Merchandising
Electrical West

Power

Radio Retailing
Electronics

Food Industries
Chemical & Metallurgical
Engineering



Photo by Ewing Galloway, N. Y.

There's Money in Doorbells

WHEN the Graybar Electric Company some months ago found business slowing up, they asked every man on the sales force to spend one day a week canvassing for new prospects. (This story, by the way, is told by W. D. DeForest, district manager of Graybar.)

Some of the big producers hadn't rung doorbells for years. One of them, whose territory surrounded the Graybar office in New York, handled only big accounts. Postal Telegraph, for example, was one of his buyers. With big prospects like Postal on his list, he hadn't bothered to give much attention to developing smaller potential sources of business in his territory.

This man, along with all of his less experienced brother salesmen, was asked to go out on a cold turkey prospect hunt. Out of the door and down the street he went, eyes peeled to discover anybody, big or small, who might conceivably be a prospect for Graybar.

He called on a tinsmith. Found he was working on a job where he could use a Graybar blower. Called on an illuminating shop. Opened it as an agency for a group of Graybar appliances. Called on an electrical shop. Found business would be ready to break there within a week. When he checked up that evening, he had closed—to his own amazement—enough orders to net a gross profit of a little over \$100. *All within two blocks of Graybar's front door!*

Under conditions like those obtaining at present, no salesman can afford, *for his own pocketbook's sake*, not to canvass almost continuously for new prospects. Many a seasoned salesman would be downright embarrassed at what would happen if a green man were put into his territory and instructed to call on every possible prospect. The cub would probably get business in dozens of places the veteran had decided weren't worth calling on. He'd probably find logical buyers who had been there for years, yet who weren't customers because no one had ever asked them to be.

Ring twenty doorbells today. Ring twenty more tomorrow. And twenty more the day after that. What you sell may pay all of your first-of-the-month bills.

There's money in doorbells. The Graybar man proved that!

Electric Clock Basis of Mills Refrigerator Time Payment Plan

CHICAGO—Expanding on the quarter-in-the-slot method of merchandising electric refrigerators, the Mills Novelty Company, here, has produced a combination electric clock and coin device. This clock, ornamental, stands on top of the refrigerator and from one to ten quarters can be fed to it at a time.

The Meterice of America Company, of Los Angeles, was first in the field with a 25-cents-a-day coin service plan for selling refrigerators (SM October 31). When the coin meter was introduced late last summer it met with instantaneous success.

The Mills company sells the clock direct to dealers, regardless of the make of refrigerator handled. The cost is from \$13.75 to \$16.50 a clock, according to quantity. The home owner drops in a quarter a day until the refrigerator is paid for. The practice, then, is to pick up the clock-coin device, which remains the property of the dealer, and substitute another electric clock without the coin mechanism. Promotional material is supplied to dealers by the Mills company when contracts are made.

"We are shipping from 50 to 100 clocks a day to Miami, Florida," said an official, "which gives some idea as to how the thing is going. It is giving an added punch to a business that was already going over big. Electric refrigeration is expanding now as swiftly as the radio business did a few years ago."

The first of the clocks were produced in October by the Mills organization.

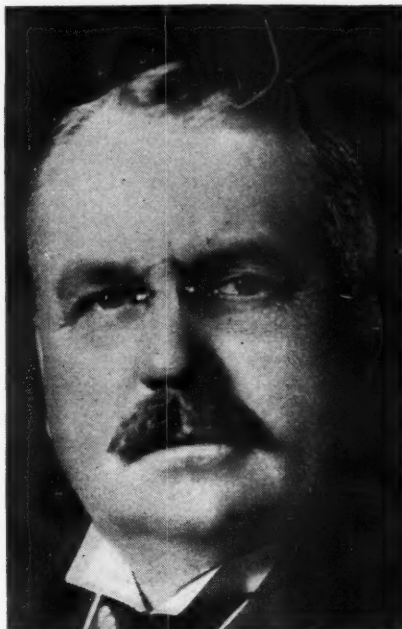
Kroger Plans Expansion in Chicago Territory

CINCINNATI—A "general and gradual development" of the Chicago territory will be undertaken by the Kroger Grocery & Baking Company, grocery chain, Albert H. Morrill, president, informed this magazine this week. Locations have not yet been determined on.

A recent news dispatch from Cincinnati mentioned that the Kroger Company intended to add 500 stores in the next two years.

Gray Leaves Sheaffer

FORT MADISON, IOWA—W. C. Gray, manager of publicity and sales promotion for the W. A. Sheaffer Pen Company, here, for the last four years, has resigned. He will return to Akron, where he will probably re-enter the rubber business next year.



Lord Inverforth

Lord Inverforth to Head Thomas J. Lipton, Inc.

HOBOKEN, N. J.—Lord Inverforth, P.C., British banker and shipping leader, has been elected president of Thomas J. Lipton, Inc., succeeding the late Sir Thomas J. Lipton.

A devoted yachtsman, Lord Inverforth also is a "self-made man." He was born in Scotland, and at the age of fifteen left school to enter a bank. Five years later he bought a sailing ship which became the nucleus of a vast fleet.

During the war he served as British Surveyor General of Supplies, directing the expenditure of more than 500,000,000 pounds. In 1919 he became Minister of Munitions and in the same year was elevated to the peerage. As a director of Lloyd's Bank, he became closely acquainted with Sir Thomas Lipton and undertook the settlement of Sir Thomas' estate upon his death.

W. U. Taylor will continue as vice-president, and W. W. Shannon, general manager of the company in charge of American business.

Mr. Taylor organized Thomas J. Lipton, Inc., for Sir Thomas in America and has been his personal representative and solicitor here for twenty-five years. Mr. Shannon has been in charge of sales and promotion work in the distribution of Lipton's teas through the grocery trade in this country. Under his management sales have risen constantly, and it is expected that 1931 will be the largest year in the company's business.

KENDALLVILLE, IND.—John W. Hart, secretary of the McCray Refrigerator Corporation, has also become manager of branches.

15 Per Cent Sales Rise in 1932 Is Forecast by Borsodi Bureau

NEW YORK—Business will be somewhat more active in 1932, A. W. Zelomek, statistician-economist of Borsodi Analytical Bureau, predicted at the fifth annual Borsodi seminar here this week. The Borsodi Bureau concentrates primarily on textiles.

"If the level of business activity is now 44 per cent below normal, I look for an average rise of 15 per cent—thus bringing the 1932 level to 71 per cent of normal. This does not mean that deflation is completed, but in the past it has been possible for business to reverse itself before deflation was over. We should reach a level which is normal to the growth of the country either late in 1933 or in 1934."

Mr. Zelomek's forecast coincides with that of Colonel L. P. Ayres of the Cleveland Trust Company, also made this week, and with the expectations of Secretary Mellon, upon which he based his taxation recommendations.

Mr. Zelomek predicted also that raw material prices will be somewhat higher, due to decreased production among other factors—increasing the purchasing power of American producers, and of those of such countries as Canada, Australia and the South American republics. Department store stocks of merchandise are at the lowest level in a decade, he said, and stocks of manufactured textiles have declined since the spring of 1930. He did not believe, however, that retail prices in general would rise until several months after wholesale prices.

Cotton prices will average considerably higher during the next six months, despite the poor statistical position of the crop, Mr. Zelomek continued. Cotton in the past has often reversed its price trend despite huge surplus stocks, and he thought that this phenomenon would recur.

Because of these factors which, in his opinion, more than counterbalance the big carryover crop, Mr. Zelomek thought that an average price of seven and one-half cents for spot cotton in the next few months is probable, with a possible peak of ten or twelve. This would mean hundreds of millions of dollars of increased purchasing power for the South.

The statistical position of wool is more favorable than for cotton, and he expected next year's prices to be from 5 to 15 per cent higher than the average for this year. Because of low stocks of all textiles and higher prices for cotton and wool, the price of silk also should improve.

Think

This PONTIAC ad, running in 2 weeklies, stopped 148% more persons per dollar in LIBERTY than in Weekly C.

This ABSORBIN JR. ad, running in 3 weeklies, stopped 40% more persons per dollar in LIBERTY than in Weekly B, 225% more than in Weekly C.

This COCA COLA ad, running in 3 weeklies, stopped, in LIBERTY, 90% more persons per dollar than in Weekly A, 79% more than in Weekly B.

This IPANA ad, running in 2 weeklies, stopped 33% more persons per dollar in LIBERTY than in Weekly B.

Before you spend for 1932, study

ONCE or twice might have been an accident. Three times, four times, might have been a coincidence. But when in 38 cases out of 46—duplicate ads running in Liberty and other mass weeklies stopped more readers in Liberty—when in city after city—in 6 widely scattered parts of the country—when, in issue after issue—for 6 consecutive issues of the four mass weeklies—the average advertising page stopped from 23 per cent to 112 per cent more persons per unit of circulation in Liberty than in any other mass weekly—that, certainly, is something to think about. Something to ask about. Something to study, *yourself*, before you spend for 1932.

Consider The Sources

These facts came from the first attempt to measure "reader-interest" by going beyond traditional personal judgments and self-conscious reader votes. By making, last July and August, an actual count of editorial and advertising items magazine readers had SEEN and READ. That's worth pondering.

The facts were found by ringing 15,000 door bells at random in Philadelphia, Pa.; Springfield, Mass.; Greensboro, N. C.; Columbus, Ohio; Topeka, Kansas; Sioux Falls, So. Dakota, one city a week for 6 consecutive weeks. By finding possessors of current issues of the four mass weeklies. By going through their copies with them, page after page, marking with crayon every editorial and advertising item remembered as having been seen or read.

That's worth pondering.

And these facts were collected by the trained research staff of Dr. George Gallup, Professor of Journalism and Advertising at Northwestern University. Collected, in three of the six cities

visited, while official observers from the Association of National Advertisers looked on.

And that's worth pondering!

Six Cities, Six Issues in a Row

Complete and independent tabulations of what readers saw and read were made for the four mass weeklies in each of the six cities, using a different issue of the four weeklies in each city.

Yet, see how, city after city, issue after issue, the same facts were found—

The average advertising page in Liberty had stopped:

In Philadelphia, 60% more persons than in Weekly A, 35% more persons than in Weekly B, 106% more persons than in Weekly C.

In Springfield, 20% more persons than in Weekly A, 14% more persons than in Weekly B, 63% more persons than in Weekly C.

In Greensboro, 45% more persons than in Weekly A, 26% more persons than in Weekly B, 132% more persons than in Weekly C.

In Columbus, 61% more persons than in Weekly A, 4% more persons than in Weekly B, 104% more persons than in Weekly C.

In Topeka, 43% more persons than in Weekly A, 26% more persons than in Weekly B, 165% more persons than in Weekly C.

In Sioux Falls, 44% more persons than in Weekly A, 22% more persons than in Weekly B, 107% more persons than in Weekly C.

Liberty...

38 Times

Popular faces are shared with BARBASOL.

The Saline Cocktail
drink it down!

Winner
...not by a
but a hand of

Vaseline HAIR TONIC

TEXACO MOTOR OIL

Barbasol

The BARBASOL ad, running in 2 weeklies, stopped 71% more persons per dollar in LIBERTY than in Weekly B.

The INGRAM'S ad, running in 4 weeklies, stopped, in LIBERTY, 36% more persons per dollar than in Weekly A, 42% more than in Weekly B, 182% more than in Weekly C.

This SAL HEPATICA ad, running in 2 weeklies, stopped 25% more persons per dollar in LIBERTY than in Weekly B.

This VASELINE HAIR TONIC ad, running in 3 weeklies, stopped, in LIBERTY, 295% more persons per dollar than in Weekly A, 193% more than in Weekly B.

This TEXACO ad, running in 4 weeklies, stopped, in LIBERTY, 94% more persons per dollar than in Weekly A, 27% more than in Weekly B, 224% more than in Weekly C.

the recommendations of Success

What This Means From a Cash Standpoint

In total the average advertising page in Liberty had stopped

48% more persons than in Weekly A
23% more persons than in Weekly B
112% more persons than in Weekly C

But from a dollars-and-cents standpoint, the importance of these findings grows. During these past years of commodity and advertising price fluctuations, Liberty's rate has been pegged at pre-boom levels while its circulation has steadily increased. Today, Liberty's advertising page cost is lower than that of any other major magazine. Dollar for dollar, therefore, on the basis of the Gallup averages, your appropriation in Liberty should stop: 132% more persons than in Weekly A; 64% more persons than in Weekly B; 138% more persons than in Weekly C.

Why Advertising in Liberty Stops More Readers

The basic factor responsible for the success of magazine advertising in general must inevitably be looked to for an explanation of Liberty's reader-stopping power: *Editorial contents.*

People (not advertising people!) buy magazines for the stories and articles, not the advertisements. Advertisers spend their money where editors have done a job of winning the crowd. Now, as we see at the top of these pages, editorial interest may make a 23% to 112% difference in the stopping power of the *same advertisement.*

For Dr. Gallup checked the reading of *editorial* pages even as

he checked advertising pages. And he found that the average editorial feature in Liberty was read by: 17% more persons than in Weekly A; 6% more persons than in Weekly B; 41% more persons than in Weekly C.

Not because Liberty had some new, heretofore unknown type of editorial contents! (Every one of the other weeklies had *some* features rating higher than many of Liberty's.) But Liberty contained **MORE** of the type of editorial item read most widely elsewhere.

More of the human interest articles. *More* of the dramatic features. *More* of the humorous features. *MORE* of the simple, bold, concise write-ups that are the *current* taste of a post-war public.

And, long before the Gallup tests gave the detailed results of this policy, Liberty's editors gazed upon the spectacle of more men and women asking for Liberty—week after week, fifty-two times a year—than any other magazine in America.

The Ball Is In Your Court

Think these things over. Think over the 38-ads-out-of-46 through which Success points its finger at Liberty. Think over the facts of 6 cities, 6 issues. Then, make sure that *your* organization has received a personal presentation of the Gallup Report—before you complete your spending plans for 1932!

Write a note on your own letterhead, and a Liberty representative will bring your copy of the Report promptly. Address Liberty, 420 Lexington Avenue, New York City.

America's Best Read Weekly

Ten-Call, Seven-Hour Day Drive Smashes Shur-Line Sales Record

NEW YORK—"If every salesman in the United States would operate faithfully under a similar plan for thirty days . . . such tangible and substantial improvement in business conditions would result that there would be no longer any need for artificial stimulus to create optimism," said R. Hoyt Sloan, president of International Fire Equipment Corporation, West New Brighton, Staten Island (New York City), in announcing this week an increase of 274 per cent in number of daily sales as a result of a ten-day sales plan conducted during the middle of November.

"The object of the plan," Mr. Sloan explained, "was to obtain a group of men from our organization whose production would prove that there was business to be had today for those who really go after it.

"Fifty per cent of the members of our sales organization pledged themselves as volunteers for the plan, and 50 per cent of these were selected to form the group," to prove the soundness of Mr. Sloan's theory.

"Many of our salesmen," he pointed out, "have been working only two or three hours a day. Many have been making only three to six calls a day." The basis of the plan, therefore, was to induce each man to work a full seven-hour day for ten days—making ten calls a day during this period.

The mere amount and consistency of this effort, Mr. Sloan believed, would be productive. To make it increasingly so, he sent out advance calls for volunteers and wrote messages to every member of the force every day during the period of the campaign. He gave reasons why there was business to be had and described in detail methods by which it could be obtained.

"The daily average of the net working time of this group," Mr. Sloan announced, "was 6.9 hours. The average number of calls for each man each day was 9.2.

"The outstanding result of the plan was a 274 per cent increase in the number of sales made daily. There was also an increase of 90.53 per cent in dollar sales over the previous ten-day period. This increase also was greater than might be expected when it is understood that our Shur-Line products are not generally sold as 'fire extinguishers' but in complete installations, necessitating a survey and the submission of a written proposal covering the requirements of each building to be protected."



R. Hoyt Sloan

Mr. Sloan compared the result of this plan with those obtained by the same group in a "Summer Point Contest" conducted last July, August and September. "In that contest, which had heretofore produced our best results, some 600 merchandise prizes were offered. These two periods both called for an 'intensive' effort—but the average daily sales during the ten-day period were 44.2 per cent larger than in the Summer Point Contest.

"Factory orders during the month of November were greater than those for any month since last June, despite the fact that, in many cases, the factory had not yet begun to feel the effects of the ten-day plan because of orders taken during this period that were filled from distributors' stock."

Candy Makers Restrict Marketing Territories

WASHINGTON—Thirty-three per cent of the 1,335,600,000 pounds of candy marketed in the United States last year was supplied by manufacturers located where the candy was consumed, the United States Department of Commerce reported last week in publishing the results of a survey on "Confectionery Distribution in the United States, 1929-1930." This compares with the preceding year's record of 30 per cent supplied.

Freight and express charges of the candy manufacturers studied had an average range of 1.3 per cent to 4.1 per cent of gross sales, but ran as high as 18 per cent.

American Blower Offers Home Air Conditioner to Sell Under \$1,500

DETROIT—Detroit is making an aggressive bid to become the headquarters of the air-conditioning industry, too.

A "Sirocco" conditioner for homes and small buildings, to sell for less than \$1,500, will be introduced here in February by the American Blower Corporation, Detroit—"distribution being extended progressively to other cities," James Ingliss, president, told this magazine this week.

Distribution will be under the supervision of branch offices; advertising will be in a "selected list" of general and trade magazines and newspapers. The conditioner heats and humidifies in winter, cools in summer, Mr. Ingliss said, "and cleanses the air at all times. The cooling is done by the use of tap water, except in communities where the water is unusually warm." There mechanical refrigeration may be employed. "No direct contact is made between the water and the air, thus preventing excessive humidity.

"As a heating system," he continued, "the conditioner combines features of the hot water and warm air systems. The hot water is maintained at a constant temperature. A thermostatically controlled fan circulates air through the conditioner into rooms by means of small ducts opening up in a new type of baseboard uniflo grilles. Products of combustion do not enter the conditioner. A thermostat starts and stops the fan motor, thereby controlling house temperature and air movement.

"Accurate humidity is obtained by a humidistat operating a magnetic valve, which regulates the quantity of water supplied to the humidifier. The heating element in winter becomes the cooling element in summer."

The unit uses gas or coal as fuel.

American Blower has manufactured air conditioning equipment for theatres, offices and public buildings for several years. The new home equipment has been functioning continuously for more than a year.

\$1,800 Lamp Contest

CLEVELAND—Forty-three cash prizes of a total value of \$1,800 will be awarded to photo finishers handling Mazda Photoflash lamps, in a contest under the auspices of General Electric Company. Prizes—the first of \$200—will be awarded in three groups based on population, and a grand prize of \$300 given the winner chosen from the group of first prize winners. Awards will be based on Mazda Photoflash lamp sales per dealer, and from letters of promotion interest.



Do You Know What the Engineers responsible for the design of Machines Think About Your Salesmen?

Every Sales Manager directing the sale of a method, material or part for incorporation into the design of machines will be interested in an article which appears in the December issue of Machine Design, entitled:

"What Designers Think of Machine Part Salesmen"
By a Group of Engineers

With the assurance that their identity would not be revealed, a number of Engineers wrote us frankly on the subject, and the resultant composite letter should be placed in the hands of every Salesman. The Engineers also gave their answer to the article which appeared in the November issue, entitled:

"How Machine Part Salesmen Regard Engineering Departments"
By a Group of Salesmen

These two articles were published in the belief that a clear presentation of the views of both Salesmen and Engineers on this important subject would result in a better mutual understanding.

Reprints of these two articles are available without charge or obligation. Just send your request to



Machine Design is a technical publication primarily serving those executives and engineers responsible for the design, creation and improvement of machines built for sale.



MACHINE DESIGN

PENTON BUILDING - CLEVELAND, OHIO

The Johnson Publishing Company

in affiliation with

The Penton Publishing Company

Mr. Todd Asks People to Spend—Checks to See That They Do It

ROCHESTER—Rochester has a buy-now campaign—with a pledge. Everyone who signs the pledge to build, remodel, improve or otherwise spend money this winter, will be checked up on by the city's "Spend While It Counts" committee to ascertain whether or not the job is actually done. With \$6,026,351.96 already pledged by 10,771 residents of Rochester and Monroe county, "we believe that the amount spent will actually be greater," Libanus M. Todd, former president of the Todd Company, manufacturer of



Libanus M. Todd

protectographs for checks, general chairman of the committee and originator of the plan, told SALES MANAGEMENT.

"It seemed to me that what needs to be done, by business concerns and by individuals, should be done not next year, but now," Mr. Todd says. "Only in that way, by putting money to work, could men be put to work. I took the idea to a number of local business executives. They liked it immensely and are participating actively in the movement.

"We are not asking people to spend money unwisely. We aren't asking them to devise ways of spending their money. If every individual and every business concern with the money does only what needs to be done, conditions will be much improved.

"George M. Eastman, our wealthiest citizen, was sold on the idea from the beginning. Although he couldn't find anything that needed to be done about his home, he decided to build a new private sewage disposal plant.

"One woman had very little money

but a big desire to help. She looked about her small home for a spot she could afford to spend a few dollars in fixing up. Finally she decided to have an old sofa recovered."

The campaign is already having its effects. Christmas shopping has reached a new peak. Department and other stores are crowded. People are happier.

"Yes," said Mr. Todd as SALES MANAGEMENT concluded its interview over the phone from New York, "I'll try to send you a picture of me today if you want it. But don't worry if it's late. You see, I'm pretty busy."

116,000 People "Design" GE Display-of-Month

CLEVELAND—Nearly a year of development work, the testing of 200 ideas submitted by lithographers and others and the personal reactions of 116,000 people, checked by eight young men employed for that purpose, are incorporated by General Electric Company in an announcement this week of its "three big displays service" for Mazda lamp agents in 1932.

The three phases were, first, the ideas; second, the pretesting in several cities, where the consumer reactions were sought, and, third, an analysis of displays in eleven different types of windows.

The service comprises six three-wing panel displays—with suggested months or seasons for showing them—two large cutouts and an assortment of cutouts and lampholders. There is also an interior merchandising unit—a "full color reproduction of a beautiful Boston girl," five feet seven inches high, who will go to work for agents in March.

To Launch Trans-Pacific Telephone Service Soon

NEW YORK—Hawaii and the North American mainland will be linked by regular telephone service December 23 as the first step in the extension of the Bell System's telephone service to the Far East. San Francisco will be the center of the new service to and from points in North America.

The cost of a call between San Francisco and Honolulu will be \$21 for the first three minutes, \$7 for each additional minute; between New York and Honolulu, \$30 and \$10.

Air Express Rates Cut up to 50 Per Cent on New Schedule

NEW YORK—Reductions in air express rates, ranging as high as 50 per cent, were made this week by the Railway Express Agency and five air transport companies involved, effective December 16.

The air traffic through the express agency is handled over the routes and on all planes of United Air Lines between New York and Chicago, Chicago and San Francisco, Chicago and Dallas, Salt Lake City and Seattle, and between San Diego, Los Angeles, San Francisco and Seattle; Western Air Express between Salt Lake City and Los Angeles, Cheyenne, Denver, Albuquerque and El Paso, and Pueblo and Amarillo; Northwest Airways between Chicago and the Twin Cities, Chicago and Green Bay and other Wisconsin, Minnesota and North Dakota points; the American Airways between Chicago and Cincinnati and Cleveland and Louisville, and the National Parks Airways between Salt Lake City and Great Falls.

Minimum rates for air express packages are now \$1.00 a pound on shipments up to about 300 miles; \$1.20 on those up to 1,500 miles, and \$1.50 more than 1,500 miles. The former minimum rates were, roughly, \$2.60 for transcontinental shipments. Typical rate changes per pound from New York or Newark are:

	New Rate	Old Rate	New Minimum per Shipment
Akron	\$0.28	\$1.60	\$1.25
Cleveland .....	.26	1.00	1.25
Chicago .....	.44	1.00	1.25
Cincinnati .....	.40	1.60	1.25
Columbus .....	.34	1.60	1.25
Dallas .....	.90	2.00	1.50
Denver .....	.90	2.60	1.50
El Paso	1.18	2.60	1.50
Great Falls	1.30	2.60	1.50
Indianapolis ...	.46	1.60	1.25
Kansas City ...	.70	2.00	1.25
Los Angeles ...	1.36	2.60	1.50
Louisville .....	.46	1.60	1.25
Minneapolis ...	.68	2.00	1.25
(also St. Paul)			
Milwaukee ....	.50	2.00	1.25
Oklahoma City ..	.90	2.00	1.50
Omaha .....	.70	2.00	1.25
Portland, Ore. ...	1.40	2.60	1.50
Salt Lake City ..	1.04	2.60	1.50
San Diego	1.42	2.60	1.50
San Francisco ..	1.38	2.60	1.50
(also Oakland)			
Seattle	1.48	2.60	1.50

507 Rockne Dealers

DETROIT—Five hundred and seven signed contracts from dealers were received by Rockne Motors Corporation by December 15, an executive of the corporation told SALES MANAGEMENT. The corporation, a Studebaker subsidiary, expects to have 1,500 dealers by February 1, 5,000 by July.

Inspire Confidence!

"That's exactly why we decided to use Molloy Covers."



Molloy Covers for Swatch and Counter Books

Convey a pleasing impression of quality, inspiring confidence in your merchandise or service.

They keep the books in use asking for orders longer because they are durable to stand rough handling offering greater protection to the pages or samples and yet retaining their fine appearance.

Molloy artists will be glad to submit a cover idea as a definite part of your merchandising program. Let us help increase your sales volume.

Full range of materials and prices to suit any sales problem or budget allowance.

Covers for Catalogs, Sales Manuals, Service Bulletins, Price Books, Sales Display Binders, Sample or Swatch Books.

Semi-Flexible Covers
Stiff Board Covers
Loose-Leaf Covers
Artificial Leather
Flexible Mocolan

Molloy Covers are made only by The David J. Molloy Co. We co-operate with your printer or binder.

THE DAVID J. MOLLOY COMPANY

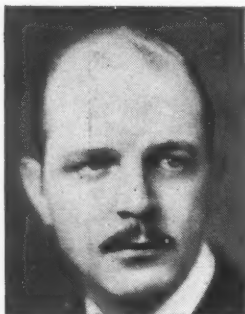
2869 North Western Avenue
CHICAGO, ILLINOIS



New York Address:
52 Vanderbilt Avenue

Gossip

... R. LYNN BAKER has been appointed director of Pacific Coast activities, with headquarters in San Francisco, of the J. Walter Thompson Company, succeeding MARK HALE, who was transferred last July to the agency's Chicago offices. A member of the company's staff in the Cincinnati, Chicago and New York offices for some time, Mr. Baker has been active in all phases of agency operation, both in production and direction.



R. Lynn Baker

... DUANE JONES has resigned as vice-president of Lord & Thomas and Logan, Inc., New York, to become vice-president of Maxon, Inc., Detroit.

... WILLIAM W. NEAL, production manager, has been elected secretary of Gottschaldt-Humphrey, Inc., advertising agency of Atlanta.

... KING AND WILEY AND COMPANY, Inc., Cleveland agency, has completed arrangements for European representation with the Amalgamated Publicity Service, Inc., of London.

... JOHN STARKE DAVIDSON, until recently a special radio counsel for advertising agencies, and previously with the National Broadcasting Company, is now director of the radio division of Ruthrauff & Ryan, Inc., New York.

... CLYDE S. THOMPSON, for several years in charge of the outdoor department of J. Walter Thompson Company, has resigned to become president of Selective Poster Advertising, Inc., with offices in the Graybar Building, New York. The firm will specialize in special poster showings on the walls of retail stores—the posting being done by plant members of the Outdoor Advertising Association of America.

... THE GRISWOLD COMPANY, New York agency, has moved to 17 East Fortyninth Street.

Government Lists 19,000 Business Associations

WASHINGTON—Nineteen thousand business associations—2,600 national and interstate, 3,000 state and territorial, and 13,600 local—are listed by the Department of Commerce in the current edition of "Commercial and Industrial Organizations," just published. The number is an increase of 45 per cent over the 1929 edition.

Steel Firm Introduces "Double Life" Razor Blade in Pittsburgh

PITTSBURGH—The Heppenstall Company here has become the "only steel producer in the United States to manufacture a finished razor blade." The blade itself—the Hardtem—is "guaranteed to give twice as many shaves as any other on the market." Slotted and cornerless, *a la Probak* (SM various issues of 1930), the name is trade-marked and the blade patented. The steel, "known as our EIS (Electric Induction Steel) 45, is a high-grade alloy . . . containing a high percentage of chromium, nickel, molybdenum and vanadium," explained B. B. Weinberg, vice-president. The retail price is five for fifty cents and ten for \$1.

"We are selling the blade to drug wholesalers and jobbers and department stores," he continued. "A sales campaign has been started in Pittsburgh, in which individual samples are being mailed with a letter to prospective customers.

"We have an established sales organization for our old line of business in the United States and Europe, who will handle Hardtem distribution in a limited way for the present time," Mr. Weinberg said, "and will not do any advertising other than the above for the time being."

The advertising, however, also will include dealer display material. In the letter to Pittsburgh prospects a request is made for users of the sample to report the number of clean shaves they get and to mention, also, on a return card, the number usually obtained from other blades of similar type.

Elect C. F. Radley President of Industrial Exhibitors

NEW YORK—C. F. Radley, publicity director of Oakite Products, Inc., here, was elected president of the Exhibitors' Committee Industrial and Power Shows, Inc., at a meeting here this week. Other officers are: Victor C. Wichum, C. J. Tagliabue Manufacturing Company, vice-president; G. S. Carrick, American Arch Company, secretary, and J. P. Ferguson, Reading Steel Casting Company, treasurer. Plans of the Committee for 1932 include a survey of 200 industrial exhibitions, in addition to work for improvement in exhibits and attendance.

Headquarters are at 420 Lexington Avenue.

Account Changes

ALLEN-A COMPANY, Kenosha, Wisconsin, hosiery and underwear, to William H. Rankin Company, Chicago.

SURFACE COMBUSTION COMPANY, Toledo, Ohio, gas burning equipment for industrial uses, and gas heating equipment for the home, to Batten, Barton, Durstine & Osborn, Inc., Pittsburgh.

WELDONA CORPORATION, Atlantic City, New Jersey, pharmaceuticals, to the Frank Presbrey Company, New York.

SERVIDOR COMPANY, New York, Closidor—a new product, to Williams & Saylor, Inc., there. Trade publications, direct mail and consumer advertising.

TASTYEAST, INC., formerly Green Bros. Company, Springfield, Massachusetts, to Federal Advertising Agency, Inc., New York.

J. M. HORTON ICE CREAM COMPANY, Inc., subsidiary of Borden Company, New York, to Young & Rubicam, Inc., there.

CREAMED FOODS, INC., New York, Morgan Brand creamed food products, to Frank Presbrey Company, there.

CLICQUOT CLUB COMPANY, Millis, Massachusetts, foreign advertising to G. Allen Reeder, Inc., New York.

PIONEER INSTRUMENT COMPANY, Brooklyn, New York, aviation and marine navigation instruments (subsidiary of Bendix Aviation Corporation), and CHICAGO BANK OF COMMERCE, Chicago, to Williams & Cunyngnam, Chicago.

C. B. DOLGE COMPANY, Westport, Connecticut, disinfectants, cleansers and other chemical products, to Griswold Company, New York.

CAPE COD SHIRT COMPANY, Fall River, Massachusetts, Cape Cod shirts, shorts and pajamas, to Charles Austin Bates, Inc., New York and Boston.

PHILLIPS-JONES CORPORATION, New York, Van Heusen collars, Collarite shirts, Flexibelt pajamas, to Peck Advertising Agency, Inc., there.

COPELAND PRODUCTS, INC., Mt. Clemens, Michigan, electric refrigeration, to the Paul Cornell Company, New York.

SCRIPPS MOTOR COMPANY, Detroit, marine engines, to Holden, McKinney & Clark, there.

LENNOX FURNACE COMPANY, Marshalltown, Iowa, Torrid Zone steel furnaces and Aire-Flo air conditioning systems for homes, to Weston-Barnett, Inc., Chicago, Waterloo and Minneapolis. Newspapers.

BURNS-HALL ADVERTISING AGENCY, Milwaukee, continues to handle WaterSpar Varnish account of Pittsburgh Plate Glass Company. (SM—November 28 reported Lord & Thomas and Logan would handle the paint and varnish division of that company.)

GOOD COMPANY

Bob Smallwood, SALES MANAGEMENT'S circulation manager, has a self-assigned quota each week of a minimum of 25 new subscriptions from executives of companies listed in McKittrick's Blue Book Directory of National Advertisers.

Every week this year—even including the normally dull Summer months—he has exceeded that quota. Here, for example, is a partial list of subscriptions entered for the week ending November 7th:

Vincent Bendix, President
Bendix Aviation Corporation

C. B. Smith, President
Stewart-Warner Corporation

Harry G. Sparks, General Sales Manager
Sparks-Withington Company

C. W. Hadden, Sales Manager
Copeland Products, Inc.

R. B. Keator, Sales Manager
Kraft-Phenix Cheese Company

W. O. Zehring, Sales Manager
The Lowe Bros. Company

Mitchell Heinemann, General Sales Manager
Jantzen Knitting Mills

Townsend D. Wolf, Sales Manager
Gotham Silk Hosiery Company

G. F. Baldwin, Sales Manager
E. I. DuPont de Nemours & Company, Inc.

F. H. Couchman, Sales Manager
Sandura Company, Inc.

J. E. Barbey, Vice President and General Manager
Vanity Fair Silk Mills

Roy L. Pratt, General Sales Director
California Packing Corporation

W. T. Atkins, Vice President
Skelly Oil Company

G. F. Ahlbrandt, General Sales Manager
The American Rolling Mill Company

F. E. Perry, Sales Manager
A. Stein & Company

Engle E. Hershey, Sales Director
Eatmor Chocolate Company

C. F. Ames, Sales Manager
Eastman Kodak Company

L. W. Crandall, President
Burke Golf Company

Edward S. Wagner, Vice President and Treasurer
Scott Paper Company

Theodore Mungen, Manager
Edw. G. Budd Manufacturing Company

W. M. McKillop, General Sales Manager
H. J. Heinz Company

D. J. Teare, Treasurer
Burgess Battery Company

A. J. Vitz, Sales Manager
Aluminum Goods Company

F. W. Munro, Sales Manager
Hupp Motor Car Corporation

Russell Schwab, Sales Manager
The Estate Stove Company

T. Gulley, Vice President
National Enameling & Stamping Company

P. J. Fitzgerald, President
The Fitzgerald Manufacturing Company

E. F. Carley, Advertising Manager, Explosives Division
E. I. DuPont de Nemours & Company

E. J. Poor, President (Lamp Division)
Hygrade Sylvania Corporation

Ben Woodbury, Sales Manager
Stromberg-Carlson Telephone Company

To our advertisers and prospective advertisers such names spell—**Decision and Purchasing Power**

It pays to reach the "last-word" men FIRST

What's in an Architect's File?

(Continued from page 417)

sales executives. It should be noted that two separate files were examined; the first constituting the literature retained in standard file cabinets in accordance with the American Institute of Architects' standard filing system, and the second constituting the bound catalogues and reference books kept on shelves in the reference library. The cabinet file contained 3,230 pieces, exclusive of those in use during the period of the study. The reference library contained ninety books.

Among the significant findings revealed by this part of the study, two are worthy of particular note. The first relates to the fact that the American Institute of Architects advocates that literature for architects be made eight and one-half by eleven inches in size as a maximum and seven and one-half by ten and five-eighths inches as a minimum. Generally the larger size is taken as the most desirable standard. In spite of the Institute's effort to encourage the use of a reasonably uniform size of literature, only 70.5 per cent of the pieces in this file are approximately eight and one-half by eleven inches in size.

The second relates to the fact that the Institute has developed a standard filing classification system to assist architects in retaining catalogues and other reference literature. While this system is not used by all offices, it is undoubtedly used by a vastly greater number than any other recognized system, including the Dewey decimal system. There is no force compelling manufacturers to classify their literature according to the A. I. A. system, but since it is made for the convenience of architects, it would seem reasonable that manufacturers would uniformly take the simple step needed to help architects retain their literature in such a file. It merely means that each piece should have printed on its cover the proper A. I. A. file index number. Nevertheless, 73.2 per cent of the pieces of literature were found lacking this simple aid to filing and retention. Only 26.8 per cent followed the recommendations of the Institute in this regard.

The second section of the chart, showing the distribution of literature by subject, reveals the amount of competition which each piece of literature faces within the file against other literature on the same general subject. In the file studied there were more than 475 individual sub-classification folders in active use, but for the sake

of brevity the accompanying table merely shows the number of pieces in each of the forty major sections which constitute the framework of the A. I. A. file classification system. The first figure gives the number of pieces in the cabinet files; the second shows the number of bound books or catalogues on the library shelf relating to the subject indicated.

If manufacturers more keenly appreciated this competition which their literature faces within a typical reference file, they would undoubtedly take much more care than they do at present to produce pieces so useful, so complete and so easy to employ that architects and their draftsmen would refer to their literature more frequently than to the less helpful catalogues of competitors.

The study was carried much further than is indicated in the accompanying summary to include a study of the character of the literature retained. A report of these findings would make a long story in itself, but it is sufficient to say that the great majority of pieces were obviously prepared with little recognition of the sort of data architects need. That many of these pieces were retained and filed is largely due to the fact that architects must have as much information as possible about building materials and equipment. They keep the best material they can get, rejecting only literature that is utterly useless to them.

The opportunities for cultivating the architect's sales influence through effective literature have been capitalized by an amazingly small number of sales executives.

What of the literature that failed to find a place in this file? For a period of thirty-eight business days during the dull season from June 10 to July 31 every piece of literature received by this architectural office was counted and a record made of those saved for filing. During this period 389 pieces or approximately ten pieces per day were received. Of these, 112 or only 28.8 per cent were retained. Of those rejected, eighteen were duplicates received in the same mail, indicating that 4.6 per cent of the literature received by this particular office is attributable purely to carelessness in checking mailing lists.

Discounting the heavy load of mail that comes with every announcement of recurring activity and allowing 300 business days per year, it would appear that this architectural office receives 3,071 pieces of mail annually. The

probable average in a normal, busy year undoubtedly exceeds 4,000.

On the same basis, about 875 catalogues, folders or manuals are retained and filed annually. The normal is probably nearer 1,000. Many of them undoubtedly replace prior issues of the same catalogue already in the file; otherwise the file would expand much more rapidly than it does.

To what extent conformity to standard file size recommended by the American Institute of Architects affects the retention of publications is indicated in the following table showing the percentage of standard and non-standard size publications received in contrast to the percentage retained.

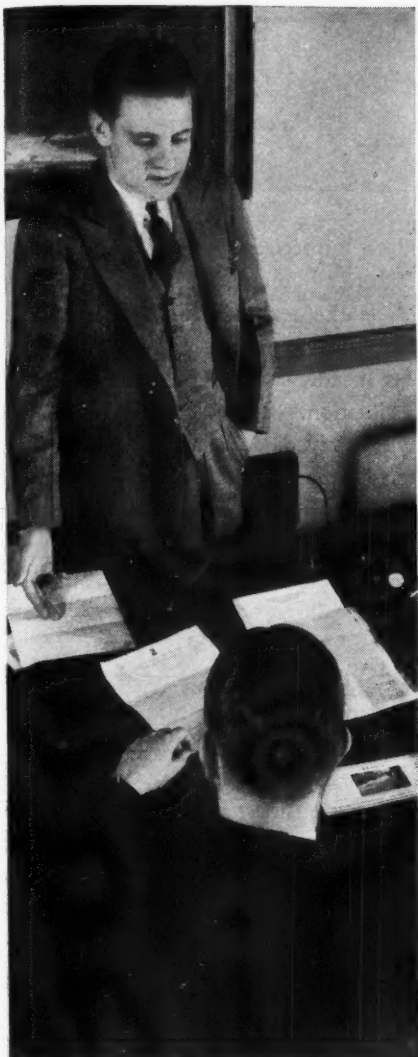
	Per Cent of Literature Received	Per cent of Literature in File
Standard Size	60.0	70.5
Non-Standard	40.0	29.5

These figures omit form letters, which seldom are filed. They are not at all conclusive, for it is quite possible that follow-up literature, reminder pieces and throw-aways intended primarily to gain the architect's attention for the moment have no need of conforming to filing requirements and may be responsible for the relatively high percentage of non-standard size literature in the mail as compared to the non-standard size literature in the file.

The architect's reference file as the depository of reference and sales literature is the objective of every alert sales executive promoting building materials of any type. Evidently, however, more than 70 per cent of the literature prepared and mailed to architects is deposited in the wastebasket. If the figures developed in this study were multiplied on the assumption that the average architectural mailing list carries 10,000 names, somewhere between twenty and twenty-five millions of pieces of literature are thus wasted. If the average cost of preparation, printing and postage were only a few cents apiece, the total loss through ineffective sales promotion in this field would run into millions of dollars. The need for more thorough appreciation of the architect's problems and of a better understanding of the architect's file as the real objective of direct mail literature must be obvious.

GE Transfers Anderson

SCHENECTADY—John Anderson, assistant to J. G. Barry, vice-president, has been appointed secretary of the sales committee of General Electric Company. He succeeds E. G. Waters, who is retiring at his own request on the completion of forty-two years of service with the company—twenty-five in that position.



•

THERE'S NO SUBSTITUTE FOR AUDIENCE VALUE IN PLANNING A RADIO CAMPAIGN

•

When you're buying time on the air you may be interested in the number of persons who could listen if they wanted to. That's "coverage".

But what really counts is the number of people who actually do listen. That's "audience".

Find the way to measure AUDIENCE VALUE and you have found the basis for reaching the most LISTENERS at the lowest cost per listener.

A new method, introduced by Westinghouse Radio Stations, provides facts upon which to base an appraisal of AUDIENCE VALUE with unprecedented accuracy.

The surveys from which this method was developed have disclosed facts such as these regarding Station KDKA:

During the first six months of 1931 a letter was received for one out of every 35 persons living in the Primary Zone

of Influence of KDKA. One family in eight was heard from. One family out of every four having a receiving set responded.

A check of single-station programs (available from one station only and not a chain) heard by 4,200 owners of radio sets in the KDKA Primary Zone of Influence showed that, among programs of this type mentioned, 77 per cent came from Station KDKA.

Station influence today is built on program appeal . . . and the programs of Station KDKA have built an audience which dominates the area encompassed in Station KDKA's Primary Zone of Influence.

A representative of Westinghouse Radio Stations will give you further details regarding the new method of measuring audience. Get in touch by letter, wire or phone, with one of the offices listed below.

WESTINGHOUSE • RADIO • STATIONS

WBZ-WBZA

Boston, Mass., Hotel Bradford
Springfield, Mass., Hotel Kimball

KDKA

— COMMERCIAL OFFICES —
Pittsburgh, Pa., Hotel William Penn

KYW-KFKX

E d u c a t i o n a l s

A USEFUL REMINDER: "Business exists to provide the wants of consumers and should make its necessary readjustments without recourse to the special aid or pity of the consumer, and certainly without making the consumer pay the penalty for mistakes in business." In these words Professor Nystrom of Columbia University, in a recent address, uttered a mouthful much needed in these days of search for something or somebody to lean on. "Our tariff legislation," the professor added, "is a running record of industries which have obtained help of the National Government in forcing the consumer to pay more for his goods in order to support the industry. In other words, the consumer has been managed for the benefit of the business instead of the business for the consumer." . . . The wholesomeness of this doctrine is so obvious that any amplification is but futile painting of the lily. Suffice it to add merely that Professor Nystrom is only recalling the wisdom which lies at the root of *The Wealth of Nations* as expounded by Adam Smith a century and a half ago. We have been living in an age that knew not the father of political economy and followed after false prophets. The sooner we get back to sound principles the sooner business will get back on its own feet and march forward confidently. To quote Professor Nystrom once more, "Business got itself into this present condition. The logic of this principle is that business should get itself out of it." Business has never failed to work out its own salvation when allowed to attend to its own affairs and convinced that it must rely on its own resources.

A N INSPIRING EXAMPLE: While business in general seems to be in the Micawber attitude of waiting for something to turn up, the National Electric Manufacturers' Association and the National Electric Light Association, acting in concert, are busy with plans for a vigorous campaign, to begin next spring, having for its object greatly enlarged sales of electric ranges and all that goes therewith. At present there are a million electric ranges in use. The intention is to try to add a quarter of a million to this number next year and half a million more in each of the ensuing two years. Taking account of all the new wiring and electric power that these ranges would require, it is estimated that a half-billion industrial expansion is the goal. Promotion expenses for this development are put at about \$18,000,000—little more than 3 per cent—mainly for national and local advertising. . . . There is nothing visionary about this project. It is based on the confident belief that the public is always ready for progress in the art of living

and can be instructed to appreciate the merits of a distinctive contribution to better housekeeping. Of particular interest now, however, is the readiness of two great industries to push forward in a period of hesitation and doubt. That readiness, needless to say, is the result of careful study of the situation. Unfavorable as well as favorable factors have received adequate consideration. The fact that the present time has been found propitious for so large an undertaking is the best possible reply to those who delight in gloomy and hopeless counsel.

A SIGNIFICANT PROPHECY: Secretary Mellon's estimate of a substantial increase in revenue receipts during 1932, regardless of tax rate changes, is interpreted by Treasury Department officials as evidence of his conviction that improved business conditions next year will be reflected in a 15 per cent increase in the country's production. They expect no noticeable general change before the middle of the year. Gains, they believe, will occur in scattered industries from time to time before the accumulated results are recognized. They recall that portents of trouble were to be seen some time before the stock market crash of late 1929 made everyone aware of what had been going on. Similarly, they look for evidence of improvement which will not be visible in general statistics of business until the upward movement is well under way. . . . Two things are to be said about this prognosis. It differs in one important respect from the encouraging reports emanating from Washington two years ago which, in the light of what happened subsequently, are now being recalled in derision of official prophets. Mr. Mellon and his associates were then trying to allay alarm. They were expressing hopes. Whether these assurances made for good or evil no one can now determine. To the extent that they slackened the rush of liquidation they may have been helpful in giving business men time to accommodate their affairs to new conditions. In the present case Mr. Mellon is acting as official adviser to Congress. He is now dealing with business facts rather than with business psychology. He is drawing on long business experience to assist him in looking forward to public revenues which are dependent on business conditions. What he tells Congress is entitled to credence that should not be repressed by recollection of outgivings that had a totally different purpose in view. . . . Furthermore, it is to be noted, the estimates in Mr. Mellon's annual report are the fruit of careful study by Treasury Department officials. They are not impromptu responses to anxious inquiries urged in the midst of excitement and rapidly spreading alarm.

Profit Clinics and How to Hold Them

No. 5. Operating Factors in Profit Assurance

(Continued from page 419)

discussions with and by supervisors can be modified and presented at meetings of workmen.

Waste Elimination

One of the greatest fields that I know of for making savings which can be added to the profit and loss account is that known as waste elimination. We are prone to look upon waste as the contents of ash can and garbage pail and the scrap heap; as the ends of rods, turnings, slag, and the like. To altogether too many waste elimination is synonymous with "salvaging." Although not underestimating salvaging in the least, my idea of waste elimination goes much deeper, and has to do with tapping the potential thinking powers of all employees, whether in shops or offices. In one plant using \$7,000,000 worth of materials, \$500,000 was saved in one year through an engineering approach to the problem of waste in material, enough to give this company its dividend requirements.

In another case, that of a large ship-building company, a waste elimination campaign was inaugurated, and the resulting savings amounted to over \$264,000, 55 per cent of which came from supervisors and 45 per cent from the workers. Speaking of this work, one of the company executives in writing about it in *Manufacturing Industries* said:

"Aside from the financial gains which have already resulted and will continue to result from this first co-operative campaign by the entire force to reduce waste, there has come about a better understanding and relationship, a better acquaintance, between management and men—workers, supervisors and executives—and the strengthening of the spirit and will-to-win all along the line. The stimulus given to 'creative thinking' by such a campaign may be worth more in the long run than the suggestions themselves, as valuable as these may be, for it gives every man the stimulus always felt by a more personal interest and a closer touch with his work."

A waste elimination campaign can be both quantitative and qualitative. On the one hand, arrange to induce suggestions regarding whatever the employe wants to bring to the management's attention, and as many times as he wants to. On the other hand, guide the suggesting by giving out hypothetical questions regarding prob-

lems within the department from which it is desired to secure suggestions.

By properly organizing this waste elimination work so as to make it a permanent thing, the plant is virtually building into its machinery a "staff" department. Staff organization is the organization which augments the line organization. Its function is investigative, analytical, advisory and formulative. Its real job is to prepare outlines of what standard practice should be, and, if these are accepted or modified by the management, they are then put into operation by the line organization. A good balance of line and staff is the ideal industrial organization.

As can be seen from a review of the foregoing, there is sufficient material of an operating nature for the "profit clinic" to give careful consideration to—from which consideration an ever-widening betterment would flow.

From Red Ink to Profits —in Sixty Days

(Continued from page 416)

had been subsidizing cheap, unprofitable goods at the expense of quality products to an extent that made the entire business unprofitable. He called it joy-riding on a hobby of large volume. The depression brought a showdown, and when it was necessary to reduce prices of the high-quality merchandise there was no longer a reservoir from which to pay profits.

In certain different grades of goods he found the only variation in costs to be in materials. This difference between the first and second grades of garden hose was 28 per cent, and the difference in selling price was 30 per cent. But since the labor and overhead costs were the same, and the cost of materials only 42 per cent of total costs, the difference in selling price should have been approximately 16 per cent.

"This sort of pricing," Mr. Garretson said, "clearly illustrates how the better grades are made to subsidize cheap, unprofitable goods. A similar condition existed throughout our lines, and it exists through the major part of the distribution of all manufactured products, I am convinced.

"The most demoralizing factor of this kind of pricing is its dishonesty.

It is obviously unfair to require the purchaser of quality merchandise to pay a premium for the manufacturer's losses on cheap stuff. Therefore, as long as industries engage in price subsidizing, we have no reason to wonder at the loss of confidence on the part of the public and every factor of distribution.

"My company has determined that it will correct every fault and practice that has a tendency to destroy confidence, and accordingly we have re-priced every item in our lines on a sound, economic basis. We no longer allow the prevailing competitive fallacies to deceive us. Our cheap goods are paying their own way, and consequently our quality merchandise is being sold at lower prices. We know what we are doing. We are building on facts, not hopes and guesses, and we are making sound progress.

"Although, during our last fiscal year, we lost a little money on a volume that was 30 per cent below our best record, we are making money now. The first two months of our new year showed a profit on a still slightly lower rate of volume, and we are confident of producing a satisfactory return for the present year, even if our volume decreases further.

"But we have reason to believe that our present year will show an increase in volume. At first our trade was disconcerted at our sudden change of policy; some of our customers postponed their buying, waiting to see what was going to happen, and a few others quit us cold. Now, however, they are beginning to see the light and to realize that the price subsidies are really a dole which manufacturers are taking from one class of distributors and giving to another. They are learning that a sound and equitable merchandising policy is better for them, as it is for us, than low-price subsidies.

"We have learned some valuable lessons from this depression—lessons that have literally turned our losses into profits. And my prayer is that we will remember these lessons."

Dry Goods Men to Meet

NEW YORK—The twenty-first annual convention of the National Retail Dry Goods Association will be held at the Hotel Pennsylvania, here, February 1-5, D. F. Kelly, of the Fair Store, Chicago, president, announced this week. J. Hamilton Lewis, senator from Illinois, will be guest of honor at the annual banquet February 4.

Clamshell Business Sold

CLEVELAND—Wellman Engineering Company, here, has purchased the Clamshell bucket and heavy-duty trailer business of G. H. Williams Company.

This free CREDIT COIN



*cashes checks and
establishes your
identity at once*

You can avoid bothersome, embarrassing delays in getting checks cashed in the 24 big cities listed below. The United Hotel Credit Coin also saves valuable time in checking out. Unexpected demands for money can be met at once. With only your registered number on the coin, no one else can use it. Take advantage of this convenience. Send for your free coin right now—using the coupon below.

One of the extra services of these 25

UNITED HOTELS

NEW YORK CITY's only United . . . The Roosevelt
PHILADELPHIA, PA. . . . The Benjamin Franklin
SEATTLE, WASH. . . . The Olympic
WORCESTER, MASS. . . . The Bancroft
NEWARK, N. J. . . . The Robert Treat
PATERTON, N. J. . . . The Alexander Hamilton
TRENTON, N. J. . . . The Stacy-Trent
HARRISBURG, PA. . . . The Penn-Harris
ALBANY, N. Y. . . . The Ten Eyck
SYRACUSE, N. Y. . . . The Onondaga
ROCHESTER, N. Y. . . . The Seneca
NIAGARA FALLS, N. Y. . . . The Niagara
ERIE, PA. . . . The Lawrence
AKRON, OHIO The Portage
FLINT, MICH. . . . The Durant
KANSAS CITY, MO. . . . The President
TUCSON, ARIZ. . . . El Conquistador
SAN FRANCISCO, CAL. . . . The St. Francis
SHREVEPORT, LA. . . . The Washington-Youree
NEW ORLEANS, LA. . . . The Roosevelt
NEW ORLEANS, LA. . . . The Bienville
TORONTO, ONT. . . . The King Edward
NIAGARA FALLS, ONT. . . . The Clifton
WINDSOR, ONT. . . . The Prince Edward
KINGSTON, JAMAICA, B.W.I. . . The Constant Spring

WORTH CLIPPING TODAY

UNITED HOTELS COMPANY
1418 United Building, Niagara Falls, N. Y.

Kindly send me complete details
and a blank for your Credit Coin.

Name _____

Address _____

Survey Shows Crying Need for Better All-Around Sales Training

(Continued from page 420)

antees? Did he offer an engineering service?

To expect every salesman to fulfill all the requirements set in the above paragraphs would be to expect the millennium. Furthermore, no audition of a single sales call can indicate exactly what a salesman should and should not do. The investigator attempted to determine only whether the salesman was intelligent in his approach, constructive in his solicitation, adept in the use of some of the more

At his own initiative he had made up a portfolio of testimonials, performance records, photos and the like, all pasted into a crude but effective loose leaf book, to which he constantly made the buyer refer.

In contrast with their falling down on the use of the more obvious devices to help them sell, every one of the thirteen salesmen already knew or quickly determined the possible application for his product. All, that is, excepting one salesman who didn't know that his company was doing business with the buyer at the time of his call. Ruling out the salesmen who called to check up on the progress of a bid or specification they had made, each salesman except two had a specific message. Of these two, one told the buyer he "needed business and wanted to know if any was lying around," without specifying why the buyer should give him that business. The other came in to ask if there was "anything new." One of the salesmen had his message almost too specific. He proposed a certain price of material. The buyer showed him a sample he was using at present and asked the salesman to price it. He did so and was exactly 100 per cent off, which didn't add to the buyer respect for the salesman's knowledge of his line.

The majority of sales calls listened to were made at the purchasing office on the initiative of the salesman—only three salesmen were called in by the buyer and each of these carried literature, in contrast to the ten others only five of whom carried literature. To determine how salesmen perform when the way is paved for them, the next article will discuss the practices of salesmen when each of them calls to see a buyer at the buyer's own request. Data tabulated on salesmen from the following companies will illustrate in a forthcoming article the difference in approach and in the use of sales equipment. They called upon two Eastern architectural firms.

Brooklyn Cornell Utilities, Inc., Brooklyn, N. Y.; Electrol, Inc., St. Louis, Mo.; Williams Oil-O-Matic Heating Corp., Bloomington, Ill.; Petroleum Heat and Power Co., Stamford, Conn.; May Oil Burner Corp., Baltimore, Md.; Timken-Detroit Co., Detroit; Preferred Utilities Co., Inc., New York City.

Elgin Stove & Oven Co., Elgin, Ill.; Murphy Door Bed Co., Chicago; Wasmuth Endicott Co., Andrews, Ind.; Dykes Lumber Co., New York City (for Curtis Companies); James & Kirtland, Inc., N. Y. C.; Excel Metal Cabinet Co., Jamestown, N. Y.

SALES ARGUMENTS USED BY 13 SALESMEN (Calling on an Oil Company in New York City)		
ARGUMENTS USED BY SALESMEN	AT SALESMAN'S INITIATIVE	AT PROMPTING OF PURCHASING AGENT
NEW USES	1	
NEWS OF PERFORMANCE	2	
PERFORMANCE TESTIMONIALS	2	
RETURN ON INVESTMENT	1	
INDEPENDENT ENGINEERING REPORTS		
IMPROVED OPERATING CONDITIONS		
SERVICE GUARANTEES	2	1
DESIGN AND CONSTRUCTION DETAILS	2	2
OFFER OF DESIGN SERVICE	1	
PRICE	1	3
DELIVERY		1

recognized sales arguments and, finally, whether or not he used tested sales aids.

The thirteen calls actually checked showed salesmen falling down on the use of the more obvious aids to an order—such simple sales tools as are available to the representatives of almost any recognized concern. Thus, of thirteen calls, only eight salesmen carried literature or other sales helps. Of these eight, only four showed any to the buyer. Of the four that showed something, only two left any sales literature or data with the buyer. Which logically brings up the question, what do salesmen do with the price books, photos, advertising reprints, catalogue sheets, charts, blueprints, "movies" and slides with which their companies supply them? Or don't their companies take advantage of these proved methods of getting attention and getting sales? The only salesman of the thirteen to get an order (and it was his first call) used a special sales aid throughout his solicitation.

Plus Signs

+++ NOVEMBER, 1931, BUILDING PERMITS of the following cities exceeded November, 1929, November, 1930, and October, 1931: Miami, Indianapolis, Providence, Nashville, Troy, Brookline, Massachusetts. These cities show healthy increases over October of this year: Baltimore, Milwaukee, Houston, Yonkers and Cambridge.

+++ THE STATE OF OHIO will construct 854 miles of highways during 1932 at a cost of \$24,111,000.

+++ COMMERCIAL SOLVENTS CORPORATION will place its Peoria plant on capacity operation about January 1.

+++ GRAIN SHIPMENTS from Pacific Coast ports show an increase of 400 per cent over last year.

+++ THE NOXZEMA CHEMICAL COMPANY reports sales 36 per cent ahead of last year and profits 80 per cent ahead.

+++ DOLLAR SALES of the Walgreen chain of drug stores showed an increase of 5.4 per cent for the first eleven months.

+++ NOVEMBER SALES of Maxwell House Coffee were larger than for any November since the product was taken over by General Foods Corporation in 1928. The increase is credited to aggressive advertising of the new vita fresh pack.

+++ THE NEW YORK LIFE INSURANCE COMPANY in November reports 3,500 more applications and \$8,000,000 more new business than in November last year.

+++ HOLIDAY BUYING in the Middle West has brought about the sudden appearance of many old-size bills of currency—the large size bills that were replaced by the new currency almost two years ago.

+++ THE ALLIS CHALMERS COMPANY has received an order for \$1,000,000 worth of equipment from the Pennsylvania Railroad to be produced in their Milwaukee shops.

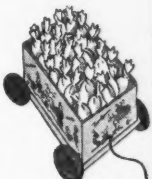
+++ FOR THE FIRST TEN MONTHS of this year the Plymouth Motor Corporation did 145.4 per cent of its comparative 1930 business, as contrasted with 73.3 per cent for the industry as a whole.

+++ THE DEISEL-WEMMER-GILBERT cigar factory in Detroit has increased production from 90,000 cigars daily to 120,000.

+++ RETAIL DEPARTMENT STORE SALES in the Richmond Federal Reserve district showed a decrease for the first eleven months of only 6 per cent in dollars from last year as against 11 per cent for the entire nation.

+++ THREE HUNDRED AND FIFTY-ONE AMERICAN INDUSTRIES did more business in Hawaii in the current fiscal year of 1931 than in the previous year.

+++ THE JOHN DEERE TRACTOR COMPANY has recalled 1,000 employees to its Waterloo, Iowa, plant.



This little product went to market...

This little product stayed at home...

THE first little product had increased sales. The second had none. But they were the same little products—different only in dress.

Many a good product is falling short of its sales potential because of poor packaging.

Under present conditions, or any conditions, take advantage

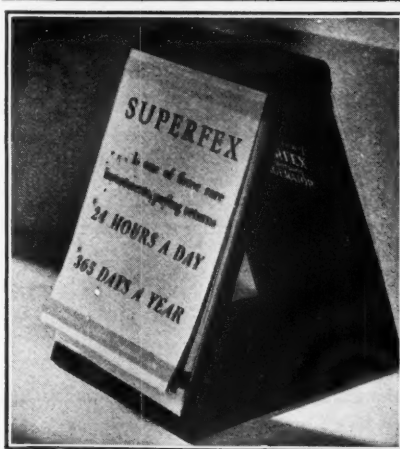
of every opportunity to increase your products' sales.

Let us know your problem. Our 35 years of package styling experience is available to you. An inquiry may result in the "making" of your product. Write E. E. Fairchild Corp., Studio S, 200 Fifth Avenue, New York City.

E. E. FAIRCHILD

CORPORATION
ROCHESTER NEW YORK

Merchandise Costume Stylists



Visual Display Sells It Today!

MAKES your story easy to comprehend—and by a larger audience; promotes concentration; adds realism to illustrations; helps salesmen to make more calls per day. Visual Display Binders in standard sizes, ready to ship. Write for information.

The Burkhardt Company
545 W. Larned Detroit, Mich.

Originators of Visual Selling Binders

"An Address of Distinction"



Take an . . . "Opera Holiday"

Set aside a few days for a visit to Chicago . . . for shopping . . . personal business . . . and the Opera. Smart elegance in accommodations . . . the operatic renditions of Henry Selinger and the Drake Concert Ensemble . . . convenient accessibility to the Opera . . . theatres . . . stores and the Loop business district . . . add immeasurably to the pleasure of those who choose THE DRAKE. Rates begin at \$4 a day. Permanent Suites at Special Discounts.

THE DRAKE
HOTEL, CHICAGO
Under Blackstone Management



When, in 1910, a radical bomb completely demolished the Los Angeles Times, snuffing out the lives of twenty members of its staff, Harry Chandler, its publisher, exclaimed: "They can kill our men and can wreck our building, but by the God above, they can not kill the Times." What this triumphal acceptance of the challenge of fate has done for the Times was attested by its recent fiftieth anniversary issue. Seven special sections, with 160 pages of rotogravure and sixty-four pages in four colors dramatized the growth of Los Angeles in half a century from a little desert village to the fifth city in the United States. Then it spread the record over the entire county and showed why Los Angeles county is third in spendable money income, ranking next to the great counties that cradle New York and Chicago.

* * *

Though the convention of the sales organization of the *American Weekly*, held on December 7th, 8th and 9th in New York City, was scheduled as its fourth annual meeting, there was about it the glamour of a celebration—for, in point of advertising lineage and revenue, 1931 has been the greatest year in *American Weekly's* history. Mortimer Berkowitz, general manager of *A. W.*, presided at all sessions, which were of an extraordinary high tone, as indicated by the names of such speakers as Arthur Brisbane, Samuel Crowther, Daniel P. Woolley, Paul Cornell and Dr. Daniel Starch.

* * *

Do you know of a market that has actually been stimulated by the depression? The publishers of *School Management*, a new controlled circulation magazine, going to city, county and state school superintendents, principals, school architects and professors, cite the fact that the government has been compelled to increase its school budget. The ever-growing appropriation is being absorbed by building projects, school supplies and personnel necessary to accommodate the millions of boys and girls who are staying at school desks because there are no vacant desks for them in business. You're probably paying generously toward the \$3,000,000,000 yearly operating cost of our schools. Have you considered retrieving some of it by getting your just share of the business?

* * *

Those whose business it is to advertise products appealing to men will be interested in Kenneth M. Goode's remarks on the matter at a recent meeting of the New York Times advertising class. First, says Mr. Goode, he would satisfy himself that: 1. The article was right; 2. the price was right; 3. the showmanship was right; 4. the service was right. As for procedure: First talk to men friends and acquaintances about it. Get them to talk to their friends and get disinterested reports. Second, if reports were fairly favorable, try in some small way to get a sales test in one or two friendly stores. Third, apply a little advertising as near as possible to the actual sales point of the goods themselves. Watch effect on sales. Perfect among a few units a known method of successful handling.

Fourth, expand as far as capital and organizing energy will permit. Not by broad sweeps of added territory, however. Don't try to be too national too soon. Stick to carefully adjoined selling agencies. Use newspapers as soon as you can afford. They give immediate concentrated action. They give a quick turnover of your advertising money. No successful advertiser could fail thus in a big way. No advertiser who deserves success can fail to succeed far faster than was ever envisioned in his rosiest dreams.

* * *

All of Milwaukee turned out to shop recently in response to a drive instituted by its merchants, newspapers, radio stations and civic organizations to give business a boost. Merchants used 100,000 lines of paid advertising in the Milwaukee *Journal* on the day preceding Milwaukee Day—and were rewarded with \$3,000,000 worth of business.

* * *

The merging of the Los Angeles Evening Herald, which now boasts the largest circulation of any daily newspaper west of Missouri, with the Los Angeles Evening Express, is an announcement of much import. The Los Angeles Herald and Express will now have at its disposal the wire reports of the Associated Press, International News Service and the United Press. Paul Block and Associates will have charge of national advertising, retaining the respective representatives in each territory heretofore connected with the Herald.

Correction: Most Important!

One of A. R. Hahn's most significant statements in "Keys to a Four Billion Dollar Market" (SM, December 12) was made ludicrous and contradictory when a printer set up "First: there is the ever-decreasing number of individually operated and owned stores" as "... the ever-increasing number ...". Proofreaders let it slip by and the harried (and now remorseful) desk editor did likewise. We hope that the subsequent text was specific enough to make our readers recognize the error as purely typographical—THE EDITORS.

Two Cents Each... but Not for Long

... because they're only a few left of each of the following page reprints from SALES MANAGEMENT:

"Fighters and Salesmen Need Heart"

"Is Business Bad?"

"The Golden Hour of Selling"

"Is Saturday Really an Off-Day or Do Salesmen Only Think So?"

"Are Sales Off Because We Don't Ask for Orders?"

"Just How Dumb Was J. C. Penney?"

"They Called Him 'The Butcher.'"

"The Lesson of the Dead Line"

"The Greatest Sport in the World"

These are all pithy, pointed messages designed for mailings to salesmen.

Send orders, accompanied by check or money order to

SALES MANAGEMENT

420 Lexington Avenue

NEW YORK

Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display Cash Basis Only. Remittance Must Accompany Order

EXECUTIVES WANTED

IF YOU ARE OPEN TO OVERTURES FOR new connection and qualified for a salary between \$2,500 and \$25,000, your response to this announcement is invited. The undersigned provides a thoroughly organized service of recognized standing and reputation through which preliminaries are negotiated confidentially for positions of the calibre indicated. The procedure is individualized to each client's personal requirements, your identity covered and present position protected. Established twenty-two years. Send only name and address for details. R. W. Bixby, Inc., 118 Downtown Building, Buffalo, N. Y.

SALES PROMOTION

\$50 to \$50,000 DAILY SALES SECURED FROM our clients. This distributor took on a new spe-

cialty, retailing at \$60. His first purchase \$12. We submitted a sales program capable of national expansion. Within four years his sales were nationwide, running to \$100,000 monthly. 35 years salesmanship-in-print experience back of our campaigns. Submit sales problems for free diagnosis, 10 years Sales Promotion Manager, Larkin Co. James C. Johnson, 119 Woodbridge Ave., Buffalo, N. Y.

SALES REPRESENTATION

GET OUT OF THE RED IN NEW ENGLAND! Successful sales manager with trained organization invites correspondence or interview with principals seeking more aggressive sales representation for meritorious product or service in this territory. Proven record for results. Highest credentials furnished. Address Box 326, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

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